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Regulations

TITLE 7—AGRICULTURE

Chapter IX—War Food Administration

PART 964—MILK IN THE MEMPHIS, TENNESSEE, MARKETING AREA

HANDLING OF MILK

It is hereby found and determined that the above entitled order regulating the handling of milk in the Memphis, Tennessee, marketing area, issued by the Acting Secretary of Agriculture on September 24, 1942, and effective on and after the 4th day of October 1942, no longer tends to effectuate the declared policy of the Agricultural Marketing Agreement Act of 1937, as amended.

It is, therefore, ordered, That said order regulating the handling of milk in the Memphis, Tennessee, marketing area is hereby terminated.

Done at Washington, D. C., this 22nd day of June 1943.

CHESTER C. DAVIS,
War Food Administrator.

[F. R. Doc. 43-10084; Filed, June 23, 1943; 11:20 a. m.]

Chapter XI—War Food Administration

[FDO 29, Amdt. 2]

PART 1460—FATS AND OILS

COTTONSEED, PEANUT, SOYBEAN, AND CORN OIL

Food Distribution Order 29 (8 F.R. 2915) issued by the Secretary of Agriculture on March 6, 1943, as amended (8 F.R. 5619), § 1460.13, is amended by deleting the provisions of (e) thereof and inserting in lieu thereof the following:

(e) *Restrictions on the use of refined oil.* (1) No refiner, non-refining margarine manufacturer, or non-refining shortening manufacturer shall use refined oil except in such quantities and for such purposes as the Director shall specifically authorize or direct. The foregoing restriction shall be construed as being supplemental to the restrictions of any other applicable food distribution order, and an authorization or directive issued pursuant to this paragraph (e) shall not be construed as authorizing a violation of any other food distribution order.

(2) No refiner of vegetable oils who has executed a 1942 Refiner Contract with the Commodity Credit Corporation shall, without the approval of Commodity Credit Corporation, use any refined cottonseed, peanut or soybean oil manufactured from crude oil repurchased from the Commodity Credit Corporation pursuant to the Refiner Contract except for the manufacture of edible products, for sale to persons who will use such oil for the manufacture of edible products, or for supplying refined oil to the Commodity Credit Corporation as provided in such Refiner Contract.

This order supersedes in all respects Oilseed Order No. 2 issued by the Commodity Credit Corporation on September 30, 1942 (7 F.R. 7767), except that, as to violations of said order, or rights accrued, liabilities incurred, or appeals taken under said order, said Oilseed Order No. 2 shall be deemed in full force and effect for the purpose of sustaining any proper suit, action, or other proceeding with respect to any such violation, right, or liability. Any appeal pending under said Oilseed Order No. 2 shall be considered under (o) of said Food Distribution Order 29, as amended.

This order shall become effective as of 12:01 a. m., e. w. t., June 24, 1943.

(E.O. 9280, 7 F.R. 10179; E.O. 9522, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423)

Issued this 21st day of June 1943.

CHESTER C. DAVIS,
War Food Administrator.

[F. R. Doc. 43-10023; Filed, June 22, 1943; 3:42 p. m.]

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FEDERAL REGISTER

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[FDO 49–5]

PART 1405—FRUITS AND VEGETABLES

IRISH POTATOES

Pursuant to the authority vested in me by Food Distribution Order No. 49, dated April 13, 1943, as amended, effective pursuant to Executive Order No. 9280, dated December 5, 1942, and Executive Order No. 9322, dated March 26, 1943, as amended by Executive Order No. 9334, dated April 19, 1943, and in order to effectuate the purposes of the aforesaid orders: *It is hereby ordered*, As follows:

§ 1405.11 *Reduction in territorial scope.* (a) The territorial scope of Food Distribution Order No. 49, as amended, is hereby reduced by excluding from the scope of said order, as amended, the following areas in the State of Florida:

The counties of Nassau, Baker, Columbia, Suwannee, Gilchrist, Levy, Bradford, Alachua, Marion, Putnam, Clay, Duval, St. Johns, Flagler, Volusia, and Lake.

(b) The provisions and requirements of Food Distribution Order No. 49, as amended, shall not, from the effective date of this order, be applicable to the areas described in (a) hereof.

(c) With respect to violations of Food Distribution Order No. 49, as amended, rights accrued, or liabilities incurred in the areas named in (a) hereof prior to the effective date of this order, said Food Distribution Order No. 49, as amended, shall be deemed to be in full force and effect for the purpose of sustaining any proper suit, action, or other proceeding with respect to any such violation, right, or liability.

(d) This order shall become effective at 12:01 a. m., e. w. t., June 23, 1943.

(E.O. 9280, 7 F.R. 10179; E.O. 9322, 8. F.R. 3807; E.O. 9334, 8 F.R. 5423, F.D.O. No. 49, 8 F.R. 4859, 5700)

Issued this 23d day of June 1943

ROY F. HENDRICKSON,
Director of Food Distribution.

[F. R. Doc. 43-10085; Filed, June 23, 1943; 11:20 a. m.]

[FDO 56]

PART 1460—FATS AND OILS

RAW LINSEED OIL SET ASIDE

The fulfillment of requirements for the defense of the United States will result in a shortage in the supply of raw linseed oil for defense, for private account and for export; and the following order is deemed necessary and appropriate in the public interest and to promote the national defense:

§ 1460.14 *Raw linseed oil required to be set aside*—(a) *Definitions.* (1) "Person" means any individual, partnership, association, business trust, corporation, or any organized group of persons whether incorporated or not.

(2) "Governmental agency" means the Food Distribution Administration, War Food Administration, or any other governmental agency designated by the Director.

(3) "Offer to sell" means to offer raw linseed oil for sale to a governmental agency on the following terms and conditions:

(i) The offer shall be made by telegram or letter addressed to the Chief, Fats and Oils Branch, Food Distribution Administration, War Food Administration, Washington, D. C.

(ii) The purchase price shall not exceed ceiling prices established by the Office of Price Administration.

(iii) Delivery shall be made within fifteen days after the last day of the month in which the oil is produced.

(iv) The offer shall remain open for acceptance for seven days after the receipt thereof.

(v) All or any part of the raw linseed oil included in an offer may be accepted.

(vi) A separate offer shall be made with respect to the raw linseed oil to be produced, in each month, in each oil mill operated by the offeror, however, more than one offer may be submitted in a single document, and

(vii) Every offer shall contain an estimate of the offeror's total production of raw linseed oil for the month covered by the offer from each oil mill operated by the offeror.

(4) "Crusher" means any person engaged in producing raw linseed oil and includes any person who has raw linseed oil produced for him pursuant to a toll agreement.

(5) "Month" means a calendar month.

(6) "Director" means the Director of Food Distribution, War Food Administration, or any employee of the United States Department of Agriculture designated by such Director.

(b) *Restrictions on sale, delivery, use, consumption and processing of raw linseed oil.* Unless specifically authorized by the Director:

(1) No crusher shall sell, contract to sell, or deliver any raw linseed oil produced or to be produced by him in any month hereafter, beginning with July 1943, except to a governmental agency, or as provided for in paragraph (c) of this order, and

(2) No crusher shall process, use, or consume any raw linseed oil produced or to be produced by him in any month hereafter, beginning with July 1943, except as provided for in paragraph (c) of this order.

(c) *Exceptions.* Notwithstanding the provisions of paragraph (b) of this order, any crusher who, on or after the twenty-third day of the sixth month preceding the month of production and on or before the twenty-third day of the first month preceding the month of production, or prior to July 1, 1943, with respect to production in July 1943, has made an offer to sell 45 percent of his total estimated production for such month of production from each oil mill operated by him, to a governmental agency, may sell, contract to sell, deliver, process, use, or consume any raw linseed oil produced or to be produced by him in such month of production which is not required to be included in such offer under the terms of this paragraph (c), and likewise, after the expiration of seven days after the receipt of the offer to sell, may sell, contract to sell, deliver, process, use, or consume any raw linseed oil included in such offer to sell which a governmental agency has not then contracted to purchase: *Provided, however,* With respect to any oil mill operated by him:

(1) If his actual production in said month of production exceeds his estimated production, as set forth in his offer to sell, he shall make an offer to sell 45 percent of such excess, to a governmental agency, on or after the first day but not later than the fifth day of the month following the month of production, or

(2) If his actual production in such month of production is less than his estimated production, as set forth in his offer to sell, and he has contracted to sell to a governmental agency a portion of his production of raw linseed oil from such oil mill in the following month, then the amount of raw linseed oil required to be delivered under the last mentioned contract, may, at his option, be reduced in an amount equal to 45 percent of such deficiency.

(d) *Reports of production of raw linseed oil.* Each crusher shall, on or before the seventh day of each month, beginning with August 1943, file with the Director a statement of the quantity of raw linseed oil produced by him in the preceding month and the estimated quantity of raw linseed oil that he will produce during the current month in each oil mill operated by him.

(e) *Contracts.* The restrictions of this order shall be observed without regard to contracts heretofore or hereafter entered into, or any rights accrued, or payments made thereunder.

(f) *Audits and inspections.* The Director shall be entitled to make such audit or inspection of the books, records and other writings, premises or stocks of linseed oil of any person, and to make such investigations, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this order.

(g) *Records and reports.* The Director shall be entitled to obtain such information from, and require such reports and the keeping of such records by, any person, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this order.

(h) *Bureau of the Budget approval.* The reporting requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942. Subsequent specific record-keeping or reporting requirements by the Director will be subject to the approval of the Bureau of the Budget pursuant to the Federal Reports Act of 1942.

(i) *Petition for relief from hardship.* Any person affected by this order who considers that compliance herewith would work an exceptional and unreasonable hardship on him may apply in writing for relief to the Director, setting forth in such petition all pertinent facts and the nature of the relief sought. The Director may thereupon take such action

as he deems appropriate, which action shall be final.

(j) *Violations.* The War Food Administrator may, by suspension order, prohibit any person who violates any provision of this order from receiving, making any deliveries of, or using linseed oil, or any other material subject to priority or allocation control by the War Food Administrator, and may recommend that any such person be prohibited from receiving, making any deliveries of, or using materials subject to the priority or allocation control of other governmental agencies. In addition, any person who wilfully violates any provision of this order is guilty of a crime and may be prosecuted under any and all applicable laws. Further, civil action may be instituted to enforce any liability or duty created by, or to enjoin any violation of, any provision of this order.

(k) *Communications.* All reports required to be filed hereunder and all communications concerning this order shall, unless otherwise provided herein or instructions to the contrary are issued by the Director, be addressed to the War Food Administrator, United States Department of Agriculture, Washington, D. C., Ref. FD–56.

(l) *Territorial extent.* This order shall apply only to the forty-eight States of the United States, and the District of Columbia.

(m) *Effective date.* This order shall become effective 12:01 a. m., EWT, June 24, 1943.

(E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423)

Issued this 22d day of June 1943.

JESSE W. TAPP,
Acting War Food Administrator.

[F. R. Doc. 43–10094; Filed, June 23, 1943; 11:47 a. m.]

[FDO 57]

PART 1460—FATS AND OILS

INVENTORIES OF RAW LINSEED OIL SET ASIDE

The fulfillment of requirements for the defense of the United States will result in a shortage in the supply of raw linseed oil for defense, for private account and for export; and the following order is deemed necessary and appropriate in the public interest and to promote the national defense:

§ 1460.17 *Inventories of raw linseed oil required to be set aside*—(a) *Definitions.* (1) "Person" means any individual, partnership, association, business trust, corporation, or any organized group of persons whether incorporated or not.

(2) "Inventory", with respect to any person, means the quantity of linseed oil of all kinds to which such person has legal title on the effective date of this order.

(3) "Governmental agency" means the Food Distribution Administration, War Food Administration, or any other governmental agency designated by the Director.

(4) "Offer to sell" means to offer raw linseed oil for sale to a governmental agency on the following terms and conditions:

(i) The offer shall be made by telegram addressed to the Chief, Fats and Oils Branch, Food Distribution Administration, War Food Administration, Washington, D. C.

(ii) The purchase price shall not exceed ceiling prices established by the Office of Price Administration,

(iii) Delivery of the oil shall be made within ten days after the acceptance of the offer,

(iv) The offer shall be for acceptance within seven days after the date thereof, and

(v) All or any part of the oil offered may be accepted.

(5) "Director" means the Director of Food Distribution, War Food Administration, or any employee of the United States Department of Agriculture designated by such Director.

(b) *Reports of inventories.* Every person who has an inventory of 240,000 pounds or more shall, within ten days after the effective date of this order, file with the Director a true and correct report of his inventory showing the amount and location of each kind of linseed oil to which he had legal title on the effective date of this order.

(c) *Restrictions on the use, consumption and processing of raw linseed oil.* On or after the effective date of this order, no person, who has an inventory of 240,000 pounds or more, shall process, use or consume any raw linseed oil which is a part of his inventory, except as provided for in paragraph (f) of this order.

(d) *Restrictions on the sale and delivery of raw linseed oil.* On or after the effective date of this order, no person, who has an inventory of 240,000 pounds or more, shall sell, contract to sell, or deliver any raw linseed oil which is a part of his inventory, except to a governmental agency or as provided for in paragraph (f) of this order.

(e) *Restrictions on the use, consumption, processing and delivery of inventories.* After this order has been in effect for five days, no person, who has an inventory of 240,000 pounds or more, shall use, consume, process or deliver any part of such inventory, except as provided for in paragraph (f) of this order.

(f) *Exemptions.* Notwithstanding the provisions of paragraphs (c), (d), and (e) of this order:

(1) Any person who has made an offer to sell a quantity of raw linseed oil from his inventory to a governmental agency, equal to either 25 percent of his inventory or all of the raw linseed oil in such inventory, whichever is the smaller, may thereupon use, consume, process, sell, contract to sell, or deliver the remainder of his inventory without regard to the restrictions imposed by said paragraphs, and

(2) Any person who has made an offer to sell pursuant to the provisions of paragraph (f) (1) of this order may at the expiration of seven days after the date of the offer likewise use, consume, process, sell, contract to sell, or deliver any raw linseed oil covered by such offer which a governmental agency has not then contracted to purchase.

(g) *Contracts.* The restrictions of this order shall be observed without regard to contracts heretofore or hereafter entered into, or any rights accrued, or payments made thereunder.

(h) *Audits and inspections.* The Director shall be entitled to make such audit or inspection of the books, records and other writings, premises or stocks of linseed oil of any person, and to make such investigations, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this order.

(i) *Records and reports.* The Director shall be entitled to obtain such information from, and require such reports and the keeping of such records by, any person, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this order.

(j) *Bureau of the Budget approval.* The reporting requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942. Subsequent specific record-keeping or reporting requirements by the Director will be subject to the approval of the Bureau of the Budget pursuant to the Federal Reports Act of 1942.

(k) *Petition for relief from hardship.* Any person affected by this order who considers that compliance herewith would work an exceptional and unreasonable hardship on him may apply in writing for relief to the Director, setting forth in such petition all pertinent facts and the nature of the relief sought. The Director may thereupon take such action as he deems appropriate, which action shall be final.

(l) *Violations.* The War Food Administrator may, by suspension order, prohibit any person who violates any provision of this order from receiving, making any deliveries of, or using linseed oil, or any other material subject to priority or allocation control by the War Food Administrator, and may recommend that any such person be prohibited from receiving, making any deliveries of, or using materials subject to the priority

or allocation control of other governmental agencies. In addition, any person who wilfully violates any provision of this order is guilty of a crime and may be prosecuted under any and all applicable laws. Further, civil action may be instituted to enforce any liability or duty created by, or to enjoin any violation of, any provision of this order.

(m) *Communications.* All reports required to be filed hereunder and all communications concerning this order shall, unless otherwise provided herein or instructions to the contrary are issued by the Director, be addressed to the War Food Administrator, United States Department of Agriculture, Washington, D. C., Ref. FD–57.

(n) *Territorial extent.* This order shall apply only to the forty-eight States of the United States, and the District of Columbia.

(o) *Effective date.* This order shall become effective 12:01 a. m., EWT June 24, 1943.

(E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423)

Issued this 22d day of June 1943.

JESSE W. TAPP,
Acting War Food Administrator.

[F. R. Doc. 43–10095; Filed, June 23, 1943; 11:47 a. m.]

TITLE 8—ALIENS AND NATIONALITY

Chapter I—Immigration and Naturalization Service

[Gen. Order C–40]

PART 105—HEAD TAX

COLLECTION OF HEAD TAX AFTER ADMISSION

JUNE 19, 1943.

Pursuant to the authority contained in section 23 of the Act of February 5, 1917 (39 Stat. 892; 8 U.S.C. 102); section 24 of the Act of May 26, 1924 (43 Stat. 166; 8 U.S.C. 222); section 1 of Reorganization Plan No. V (5 F.R. 2223); section 37 (a) of the Act of June 28, 1940 (54 Stat. 675; 8 U.S.C. 458); § 90.1, Title 8, Chapter I, Code of Federal Regulations (7 F.R. 6753); and all other authority conferred by law, § 105.2 of the said Title 8, Chapter I, Code of Federal Regulations is hereby amended, effective July 1, 1943, as follows:

§ 105.2 *Collection of head tax after admission.* The tax described in § 105.1 shall be collected also from aliens within § 105.3 (c) when their stay is extended beyond 60 days; from aliens within § 105.3 (d) when their stay is extended one year; when required, from aliens within § 110.53 if the Commissioner has directed admission; and when required, from aliens whose records of entry have been authorized to be amended or endorsed to show true status. The head tax shall be collected from aliens within this section in the form of a United States postal money order, payable to the collector of customs having jurisdiction over the place where the alien entered the United States, and shall be deposited with such collector of customs. If the head tax is collected in an immigration district other than the district where the alien entered the United States, the money order shall be forwarded by the officer in charge of the district where the head tax is collected to the officer in charge of the district where the entry of the alien occurred, where it shall be deposited with the appropriate collector of customs; in the cases of aliens within § 110.53, the money order will accompany the documents, record, and report required by that section. If the amount collected from aliens within this section is not received in sufficient time to be entered prior to the closing of the accounts at the port of entry for the month during which the alien actually entered the country, the amount shall nevertheless be deposited with the collector of customs. Collections within this section shall be reported to the Central Office only by the officer in charge of the district where the alien entered the United States. He shall report such collections only as a part of the statistical section of his annual report as recoveries of head tax, separately as to the number of and amount collected from nonimmigrant aliens and immigrant aliens. The provisions of this section are not to be regarded as applicable to the collection of the fee in the amount of $18 required of certain aliens under the provisions of section 19 (c) of the Immigration Act of February 5, 1917, as amended (39 Stat. 889, 54 Stat. 672, 56 Stat. 1044; 8 U.S.C. 155).

JOSEPH SAVORETTI,
Acting Commissioner of Immigration and Naturalization.

Approved:

FRANCIS BIDDLE,
Attorney General.

[F. R. Doc. 43–10087; Filed, June 23, 1943; 11:26 a. m.]

[Supp. 6 to Gen. Order C–26]

PART 150—ARREST AND DEPORTATION

SPECIAL DEPORTATION PROCEDURE

JUNE 12, 1943.

Pursuant to the authority contained in section 23 of the Act of February 5, 1917 (39 Stat. 892; 8 U.S.C. 102); section 24 of the Act of May 26, 1924 (43 Stat. 166; 8 U.S.C. 222); section 1 of Reorganization Plan No. V (5 F.R. 2223); section 37 (a) of the Act of June 28, 1940 (54 Stat. 675; 8 U.S.C. 458); § 90.1, Title 8, Chapter I, Code of Federal Regulations (7 F.R. 6753), and all other authority conferred by law, the following amendments of Part 150 of the said regulations are hereby promulgated.

Section 150.3 is amended to read as follows:

§ 150.3 *Issuance of warrants of arrest.* (a) If it is determined that a prima facie case for deportation has been established, a warrant of arrest shall be issued by the designated official in the Central Office, except that any officer in charge of a district shall have power to issue a warrant of arrest:

(1) In any case within the purview of §§ 150.10 and 150.11 of this part and as provided therein; or

(2) In any other case in which it appears to the satisfaction of such officer that the alien may escape arrest unless the warrant is issued immediately.

(b) In any case where the officer in charge of a district issues a warrant of arrest under paragraph (a) of this section, a copy of the warrant of arrest and of all of the evidence in support thereof shall be immediately forwarded to the Central Office.

(c) Warrants of arrest may, where necessary, be transmitted by telegraph, such telegraphic warrant to be followed by the formal warrant of arrest.

Section 150.11 is amended to read as follows:

§ 150.11 (a) *Special deportation procedure in cases involving recent illegal entrants and alien seamen; when permissible.* Notwithstanding any other provisions of this part, any officer in charge of a district shall have power to issue warrants of arrest upon application made direct to such officer by an investigating officer:

(1) In any case in which an alien is believed to have entered the United States illegally from foreign contiguous territory or adjacent islands within 60 days preceding the application for warrant of arrest, and one of the grounds of deportation upon which the application for warrant of arrest is based is:

(i) That the alien entered the United States by water at any time or place other than as designated by immigration officials; or

(ii) That the alien entered the United States by land at any place other than one designated as a port of entry for aliens by the Commissioner of Immigration and Naturalization; or

(iii) That the alien entered the United States at any time not designated by immigration officials; or

(iv) That the alien entered the United States without inspection.

(2) In any case in which an alien seaman is believed to have entered the United States on or after September 1, 1939, in an illegal manner, or after having been admitted to the United States on or after that date as a seaman in pursuit of his calling under the provisions of section 3 (5) of the Immigration Act of 1924, is believed to have remained in the United States for a longer period of time than permitted under the regulations in effect at the time of his admission, and one of the grounds of deportation upon which the application for a warrant is based is:

(i) That the alien, at the time of his entry, was an immigrant not in possession of a valid immigration visa and not exempted from the presentation thereof by said Act or regulations made thereunder; or

(ii) That the alien, after admission as a seaman, has remained in the United States for a longer period of time than permitted under said Act or regulations made thereunder.

(b) *Special deportation procedure as to recent illegal entrants and alien seamen; investigations and applications for warrants of arrest.* Investigations and applications for warrants of arrest in cases within the purview of paragraph (a) of this section shall be made in accordance with the provisions of §§ 150.1 and 150.2 of this part.

(c) *Special deportation procedure as to recent illegal entrants and alien seamen; issuance and execution of warrants of arrest; release or detention of alien.* When an application for issuance of a warrant of arrest has been made in a case falling within the provisions of paragraph (a) of this section, the officer in charge of the district shall issue the warrant if he is satisfied from the supporting evidence that a prima facie case for deportation has been established. The warrant shall state the grounds upon which the officer in charge of the district believes the alien to be subject to deportation, and, in appropriate cases, may provide for the alien's release under bond in a sum of not less than $500 or on his own recognizance pending further proceedings. The warrant shall be executed in the same manner as though issued by the Central Office.

(d) *Special deportation procedure as to recent illegal entrants and alien seamen; hearing and procedure thereunder.* The hearing and all further proceedings in the case of an alien arrested upon a warrant issued and executed in accordance with paragraph (c) of this section shall be conducted in the manner prescribed in §§ 150.6 and 150.7 of this part with the following exceptions:

(1) Any alien who desires the privilege of departure in lieu of deportation may make such request at any time during the hearing and such request may be acted upon without the necessity of filing Forms I–55 and I–255. The presiding inspector shall require the alien to furnish such information as may be available in support of such request.

(2) The presiding inspector, immediately before the hearing is concluded, shall state for the record in the presence of the alien his findings of fact, conclusions of law, and recommendation as to the disposition of the case, and

(3) The alien shall be required then and there to state whether or not he takes exception to such findings of fact, conclusions of law, and recommendation as to the disposition of the case; and he shall be informed that if he does take exception, the record will be submitted to the Board of Immigration Appeals for final decision, and

(4) The transcript of the record, including the findings of fact, conclusions of law and proposed order of the presiding inspector as stated in the record shall be presented to the officer in charge of the district in which the hearing is held.

(e) *Special deportation procedure as to recent illegal entrants and alien seamen; disposition of record; issuance of warrant of deportation.* In any case conducted in accordance with the provisions of this section, in which the alien has made an exception to the proposed findings, conclusions, and order of the presiding inspector, or in which the alien has applied for suspension of deportation under the provisions of section 19 (c) of the Immigration Act of 1917, as amended, or in which the recommendation of the presiding inspector is for any action other than the deportation of the alien, the transcript of the record shall be forwarded to the Central Office for transmission to the Board of Immigration Appeals for decision. Any other case shall be referred for determination to the officer in charge of the district. If such officer in charge is not satisfied beyond a doubt that the alien is subject to deportation and that his case falls within the provisions of paragraph (a) of this section, he shall forward the record to the Central Office, with a statement of his reasons for so doing. If the officer is satisfied beyond a doubt that the alien is subject to deportation and that the case falls within the provisions of paragraph (a) of this section, he may issue a warrant directing the deportation of the alien upon the charges which have been established by the record. In all cases where a warrant of deportation is issued, a complete copy of the record and of the order of deportation shall be forwarded to the Central Office within 48 hours. Deportation of an alien ordered deported by an officer in charge of a district shall be effected in the same manner as though deportation had been directed by the Board of Immigration Appeals. Any alien who has been ordered deported by an officer in charge of a district may, within five days after such order, if deportation has not been sooner effected, file an exception to the order of deportation giving his reasons in support thereof, and may request that his case be referred to the Board of Immigration Appeals for final decision. Upon the filing of such exception and request, deportation of the alien shall be stayed and the request of the alien, accompanied by the entire record if not previously transmitted, shall be forwarded to the Central Office for transmission to the Board of Immigration Appeals for review and final decision. If the warrant of deportation issued by the officer in charge of the district is confirmed by the Board of Immigration Appeals, deportation shall proceed upon the warrant issued by that officer as soon as notification of such confirmation is received.

(f) *Special deportation procedure as to recent illegal entrants and alien seamen; review of deportation order.* The Board of Immigration Appeals, notwithstanding the issuance of an order of deportation in the case of any alien by an officer in charge of a district, may cancel for cause such order or otherwise direct what disposition shall be made of the case.

(g) *Limitation on special deportation procedure as to alien seamen.* The provisions of subparagraph (2) of paragraph (a) of this section relating to alien seamen shall be operative only for the duration of the war which the United States declared existed against Japan on December 8, 1941, and against Germany and Italy on December 11, 1941. (Sec. 19, 39 Stat. 889, 54 Stat. 671, 8 U.S.C. 155; sec. 3, 43 Stat. 154, 47 Stat. 607, 54 Stat. 711, 8 U.S.C. 203)

EARL G. HARRISON,
Commissioner of Immigration and Naturalization.

Approved:

FRANCIS BIDDLE,
Attorney General.

[F. R. Doc. 43–10086; Filed, June 23, 1943; 11:26 a. m.]

TITLE 10—ARMY: WAR DEPARTMENT

Chapter VIII—Procurement and Disposal of Equipment and Supplies

PART 81—PROCUREMENT OF MILITARY SUPPLIES AND ANIMALS

MISCELLANEOUS AMENDMENTS

The following amendments and additions to the regulations contained in Part 81 are hereby prescribed. These regulations are also contained in War Department procurement regulations dated September 5, 1942 (7 F.R. 8082) as amended by Change No. 18 May 26, 1943.[1] In section numbers the figures to the right of the decimal point correspond with the respective paragraph numbers in the procurement regulations.

GENERAL PURCHASE POLICIES

Section 81.324 (1) is redesignated § 81.234a.

§ 81.234a *Unusual circumstances.* On rare occasions, in connection with an initial contract with a contractor for a particular product or type of construction, involving a long period of preparation for the performance of the contract or unusually large development and planning costs, unusual circumstances may give rise to the request that the contractor be given special protection against loss through termination for the convenience of the Government at an early stage of the performance of the contract. In such cases, a full statement of the facts and a draft of any special contract provisions recommended will be submitted through the chief of the technical service negotiating the contract, to the Director, Purchases Division, Headquarters, Army Service Forces, for approval.

Section 81.292 (f) is amended as follows:

§ 81.292 *Responsibility of the chiefs of the supply services and the commanding generals of the services commands.* * * *

(f) Responsibility for the reproduction of the original signed purchase action report and for forwarding four copies to Mr. William R. McComb, Deputy Administrator, Room 1114 Dept. of Labor Building, Washington, D. C. Attention: Mr. A. J. Gallant. The transmittal of such copies will relieve the contracting officers of filing the present Department of Labor Form P. C. 1. This will become effective with reports received May 1, 1943, and thereafter. As many additional copies may be reproduced as directed by the chief of the service concerned.

* * * * *

That part of § 81.294 preceding paragraph (a) is amended as follows:

§ 81.294 *Monthly summary of purchase actions.* A summary of all negotiated purchase actions in excess of $10,000 will be rendered for each calendar month as of the last day thereof and submitted on an 8" x 10½" sheet through the offices of the chiefs of the various services in accordance with the time schedule (5 calendar days after close of the month) and procedure stated in § 81.291 (e) (on the basis of net obligations undertaken during the month and not appropriations authorized). The form set forth below will be used for all reports submitted following the submission of the reports covering the month of April, 1943. Accordingly the reports submitted in June covering purchase actions in May and any unreported activity for previous months will be on the new form.

(1) Station_____ (2) Date of Submittal_____, 19___ (3) Transactions not previously reported for month of_____ (4) Reported through _____

SUBJECT: SUMMARY REPORT OF PURCHASE ACTIONS IN EXCESS OF $10,000

(5) Value of negotiated purchase actions:
- a. Original awards_____ _____
- b. Cancellations (Decrease)___ _____
- c. Changes and supplements reported on blue purchase action reports_____ _____
- d. Changes and supplements not reported on blue purchase action reports_____ _____
- e. Net total_____ _____

(6) Number of negotiated purchase actions:
- a. Original awards_____ _____
- b. Cancellations (Decrease)___ _____
- c. Net total_____ _____

(7) Signature_____
Name_____
Rank: Service_____

* * * * *

Section 81.303 is amended by adding a paragraph preceding paragraph (a), the section headnote being amended, as follows:

§ 81.303 *General requirements for contracts.* Every purchase transaction except those where payment is made coincidentally with receipt of supplies will be evidenced by a written contract.

* * * * *

Section 81.308a is amended as follows:

§ 81.308a *Supplemental agreements and change orders not involving receipt of consideration.* Except as otherwise specifically provided in these regulations, approval by the Director, Purchases Division, Headquarters, Army Service Forces, will be required for each supplemental agreement or change order which does not involve the receipt by the Government of adequate legal consideration, or which modifies or releases an accrued obligation owing directly or indirectly to the Government including accrued liquidated damages or liability under any surety or other bonds. In every such case the supply service shall submit a full statement of the case and of the action recommended together with a finding by the supply service, adequately supported, that the prosecution of the war would be facilitated by the action recommended. The Director, Purchases Division, will signify his approval by manual execution of the supplemental agreement or change order, where such instrument is submitted, or where such instrument is not submitted, by memorandum, indorsement, letter or telegram in response to the request for approval. Attention is directed to the provisions of § 81.308g.

Section 81.321 (m) is amended as follows:

§ 81.321 *Advance payment.* * * *

(m) *Exceptions to interest requirement.* The requirement that interest be charged on advance payments shall not be applicable to advance payments:

(1) Authorized in connection with contracts which provide that the work thereunder shall be performed at cost without profit or fee to the contractor.

(2) Authorized in connection with cost-plus-a-fixed-fee contracts on which the fee is disproportionately small compared to the amount of interest that would accrue on the advance payment.

(3) Authorized in connection with contracts entered into, or contracts the terms of which had been agreed upon, prior to June 8, 1942, to the extent that such application would be inconsistent with the terms upon which such contracts were negotiated; or those

(4) Authorized in connection with fixed price contracts which have been converted from cost-plus-a-fixed-fee contracts: *Provided,* That advances previously authorized on the cost-plus-a-fixed-fee contracts have been without interest and: *Provided further,* That in negotiating the fixed prices on the converted contracts due allowance is made for the continuation of advances without interest. This does not preclude, however, the use of advances with interest in accordance with subparagraph (1) above in the negotiation of the converted contracts from a cost-plus-a-fixed fee to fixed price basis if it is preferred to negotiate the new price on the use of advances with interest.

(5) Authorized to be made without interest by specific action of the Director, Fiscal Division, Headquarters, Army Service Forces.

In § 81.324 paragraphs (c), (d), and (e) are rescinded as follows:

§ 81.324 *Termination for convenience of the Government.* * * *

(c) [Rescinded]
(d) [Rescinded] See § 81.373a.
(e) [Rescinded] See § 81.234a.

* * * * *

Section 81.328 is amended as follows:

§ 81.328 *Contracts involving shipment of one or more carloads.* (a) Except as indicated in paragraph (c) below every contract which will involve the shipment thereunder of one carload or more of supplies will contain a clause substantially as follows:

Notice of shipments. In connection with any shipment hereunder of one carload or equivalent or more consigned to any unit or officer of the War Department, the shipper, at the time the equipment or supplies are ordered for loading for rail, motor, or water transport, will send consignee notice thereof by prepaid telegraph or teletype, including date, car number and initial, complete routing, size of shipment, and brief general description of the equipment or supplies comprising the shipment, including requisition or shipping order number, if any. When au-

[1] For previous changes see 7 F.R. 8163, 9268, 9660, 10184, 10247, 10640, 10906; 8 F.R. 401, 411, 2531, 3339, 3486, 3752, 5133, 5210, and 7526.

thorized such notice may be sent by air mail, in lieu of telegraph or teletype, where secrecy is essential and where the use of air mail is practicable. This provision is not to be substituted for any other requirement, such as mailing bills of lading.

(b) The italicized portion of the above contract clause represents an amendment of the clause to conform to Change No. 3 of AR 55–105,[2] dated April 28, 1943. If contract forms have been printed or mimeographed and it is therefore inconvenient to adopt the new contract clause, the old clause may be continued until the forms have been exhausted.

(c) The above contract clause need not be inserted in any contract for the furnishing of supplies in connection with which the Government inspector or other Government official at the plant or warehouse of the contractor is charged with the duty of issuing notices of shipment.

Section 81.353 (c) is amended as follows:

§ 81.353 *Walsh-Healey Act, representation and stipulation.* * * *

(c) *Minimum wage determination under the Walsh-Healey Act.* It is not necessary that contracts subject to the Walsh-Healey Act contain a statement as to the minimum wage determination which is applicable.

* * * * *

Section 81.362 is amended as follows:

§ 81.362 *Accident prevention.* Every lump sum construction contract, regardless of subject matter or amount, except contracts for the construction of vessels and other floating equipment, will contain a clause substantially as follows:

Accident prevention. In order to protect the life and health of employees in the performance of this contract, the contractor will comply with all pertinent provisions of the "Safety Requirements in Excavation—Building—Construction" approved by the Chief of Engineers, December 16, 1941, as revised May 15, 1942 (a copy of which is on file in the office of the contracting officer) and as may be amended, and will take or cause to be taken such additional measures as the contracting officer may determine to be reasonably necessary for this purpose. The contractor will maintain an accurate record of and will report to the contracting officer in the manner and on the forms prescribed by the contracting officer, all cases of death, occupational disease and traumatic injury arising out of or in the course of employment on work under this contract. The contracting officer will notify the contractor of any non-compliance with the foregoing provisions and the action to be taken. The contractor shall, after receipt of such notice, immediately correct the conditions to which attention has been directed. Such notice, when served on the contractor or his representative at the site of the work, shall be deemed sufficient for the purpose aforesaid. If the contractor fails or refuses to comply promptly, the contracting officer may issue an order stopping all or any part of the work. When satisfactory corrective action is taken, a start order will be issued. No part of the time lost due to any such stop order shall be made the subject of claim for extension of time or for excess costs or damages by the contractor.

[2] Administrative regulations of the War Department pertaining to transportation requests.

Every fixed-fee construction contract, regardless of subject matter or amount, will contain a clause substantially similar to the foregoing except that the last sentence will be omitted.

Section 81.363 is amended as follows:

§ 81.363 *Disposition of government owned property by contractors.* The following clause may be inserted in cost-plus-a-fixed-fee contracts when authorized by the provisions of § 83.707 (e):

It is recognized that property (including without limitation machine tool and processing equipment, manufacturing aids, raw, manufactured, scrap and waste materials), title to which is or may hereafter become vested in the Government, will be used by or will be in the care, custody or possession of the Contractor in connection with his performance of this contract. At the direction of the Contracting Officer, Contractor shall transfer or otherwise dispose of such Government-owned property to such parties and upon such terms and conditions as the Contracting Office may approve or ratify. The proceeds of such transfers and dispositions shall be applied in reduction of the cost of the work under this contract.

Section 81.364 is amended as follows:

§ 81.364 *Marking of shipping containers.* Every supply contract relating to supplies destined for overseas shipment will contain a clause substantially as follows (see § 81.1101 (a) to (g)):

Marking of shipping containers. The Contractor will follow any directions set forth in the contract specifications concerning the marking of containers in which the supplies are to be shipped. If the contract specifications contain no such directions, the Contractor will follow such instructions on the matter as he may from time to time receive from the Contracting Officer.

Section 81.371 is amended as follows:

§ 81.371 *Where the contract does not contain standard termination article.* If the contract does not contain an article in substantially the form set forth in § 81.324 in the case of a lump sum supply contract or, in the case of a lump sum construction contract, in substantially the form set forth in § 81.324 (a), the contracting officer will communicate with the contractor and will endeavor, prior to the issuance of a notice of termination, to amend the contract by supplemental agreement in substantially the form set forth in § 81.377 hereof. If no such amendment can be obtained, the procedure set forth in § 81.373 or § 81.374 will be followed, depending upon whether or not the contract contains an article authorizing termination for the convenience of the Government.

Section 81.372 (a) is amended as follows:

§ 81.372 *Where contract contains standard termination article*—(a) *Notice of termination.* If the contract contains or has been amended to contain an article substantially in the form set forth in § 81.324, in the case of a lump sum construction contract, in substantially the form set forth in § 81.324 (a), the contracting officer shall transmit to the contractor a written Notice of Termination and Request for a Negotiated Settlement in triplicate substantially as set forth in § 81.372 (b). It is to be noted that the words "uncompleted portion of the" where appearing in italics in the form are not appropriate to a notice of termination of a lump sum construction contract containing an article substantially like that in § 81.324 (a), and will be omitted from any notice relating to such a contract. In any case or class of cases in which the chief of the technical service concerned shall determine that any portion of the form of notice set forth in § 81.372 (b) is unnecessary or inappropriate it may be varied or omitted.

* * * * *

Section 81.373 is amended:

§ 81.373 *Where the contract contains no article substantially in the form set forth in § 81.324 or § 81.324 (a), or where there is failure to agree on a negotiated settlement.* (a) If the contract does not contain an article in substantially the form set forth in § 81.324, in the case of a lump sum supply contract, or in the case of a lump sum construction contract, in substantially the form set forth in § 81.324 (a), termination may be effected by a notice substantially in the form set forth § 81.372 (b) or in such form as may be appropriate under the termination article in fact contained in the contract.

(b) The chief of any technical service, without approval of higher authority, may amend any contract even after the giving of notice of termination to insert therein the termination article set forth in § 81.324 or in § 81.324 (a), whichever is appropriate in the particular case. (See § 81.373a.)

(c) In the case of contract which does not contain a termination article substantially in the form set forth in § 81.324 or in § 81.324 (a), or, if under a contract which does contain such an article the contracting officer and the contractor fail to agree on a settlement, then the contracting officer shall proceed to determine the amount payable to the contractor in accordance with any provision of the contract for termination for convenience of the Government.

(d) Where settlement is made in accordance with the provisions of any formula contained in the termination article of the contract, and not by negotiation, or where a settlement by negotiation is made as hereafter provided in this paragraph, the contracting officer will make such settlement by such procedure and after such verification and audit as may be prescribed by the chief of the technical service concerned, subject to any general audit instructions of the Fiscal Director, Headquarters, Army Service Forces.

(e) If at any stage of the settlement procedure, the contracting officer and the contractor reach an agreement as to the amount payable on account of such a contract, or portion thereof, the contracting officer may embody such an agreement in a final settlement agreement in the form set forth in whichever one of § 81.375 or § 81.376 hereof is appropriate in the particular case. If, however, prior to such amendment by such settlement agreement, the contract

contains no provision for fixing by negotiation the amount to be paid to the contractor with respect to the contract or the portion thereof affected by the agreement, such contract shall first be amended by separate supplemental agreement pursuant to paragraph (b) of this section.

Section 81.373a is added as follows:

§ 91.373a *Amendments to contracts.* The provisions of the articles set forth in §§ 81.324 and 81.324(a) furnish more expeditious methods of settlement, than have hitherto been provided, of the amounts due by reason of the termination of contracts for the convenience of the Government, thus reducing expense, expenditure of time, auditing difficulties, and administrative inconvenience, both for the Government and for the contractor. Such provisions will tend to eliminate the obstacles to procurement which arise from the apprehensions, frequently expressed by contractors, that there will be long delays in the making of settlements in the event of termination of contracts for the convenience of the Government, including any such termination taking place as a result of the conclusion of hostilities. Accordingly, technical services will be liberal in making amendments of contracts to include the substance of the aforementioned articles. Each such amendment will recite that it is made pursuant to the First War Powers Act and Executive Order No. 9001.

Section 81.378 is rescinded.

§ 81.378 *Provisions for inclusion in contract forms set forth in §§ 81.375 or 81.376 where it is desired in the supplemental agreement of settlement to amend an existing lump sum contract to provide for a negotiated settlement.* [Rescinded]

BONDS AND INSURANCE

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BONDS AND INSURANCE

GENERAL

Sections 81.401 to 81.427 are rescinded and the following §§ 81.401 to 81.423 substituted therefore:

§ 81.401 *Rescission of regulations.* Army Regulations 5–140, May 22, 1940, as amended; Army Regulations 5–220, August 7, 1940, as amended; and all other directives and instructions relating to bonds and insurance issued prior to February 1, 1943, are hereby rescinded.

§ 81.402 *Compliance with Procurement Regulation No. 4.* Unless otherwise specifically provided, compliance with any provision of Procurement Regulation No. 4 (§§ 81.401 to 81.497) or of any amendment thereto which requires a change in procedure or in any contract provision shall not be mandatory until thirty days after the issuance of such regulation or amendment.

§ 81.403 *Exceptions to requirement of Procurement Regulation No. 4.* Where any provisions of this Procurement Regulation No. 4, establishes requirements the application of which is impractical in a given special case, or in a particular situation, the matter should be submitted to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces with a full statement of the facts and circumstances. That Branch has authority to make exceptions to requirements set forth in this procurement regulation.

§ 81.404 *Security of insurance and bond information.* The attention of all concerned is directed to the security problem involved in insurance transactions. The following is the full text of paragraph IV of War Department Circular No. 398, 1942:

IV. *Security of insurance information.* 1. Effective procurement and distribution of war supplies and materials, and the efficient operation of supply and repair facilities, private and public, are essential to speedy victory and the conservation of lives and property. Every contract operation of the War Department involving a private person or organization places upon that person or organization some degree of financial responsibility for loss or damage to persons or property. A prudent business man or organization promptly seeks to pass this liability to a second party, an insurer, for a known price in order to stabilize costs.

2. Insurance underwriters customarily require detailed knowledge of the risks underwritten. In many cases insurance sources require and obtain a continuous knowledge of the operations either by reason of the insurance service facilities at the project site or through reports required by the insurance contract. These reports are used for the purpose of computing premium charges. Usually, when no service facilities are installed at the project, the policy contract makes provision for the right of examination and audit by the insurer's personnel.

3. It is essential that all concerned fully appreciate the potential value of insurance as a source of detailed and current information. Our enemies are adept at utilizing this source for intelligence purposes and over a period of time have, by devious and ingenious commercial transactions, infiltrated the world insurance structure.

4. Appropriate action is expected in the near future to reduce drastically the flow of insurance information out of the United States. This action will not eliminate the danger to security of vital information unless greater care is exercised in its dissemination and safekeeping within the United States.

5. All concerned will bring this matter to the immediate attention of private persons or organizations engaged in war projects. Management will see to it that insurers are

permitted only such information as is proved to be essential to their operations, and that such information as is permitted will be kept in a safe manner. Each insurer will be required to designate its representative or representatives to whom such information will be given, and will be required to undertake that such information as is obtained will not be furnished to any other insurer or organization without the prior approval of the contractor and the Army representative in charge. In the absence of an Army representative, contractors will be advised to communicate direct with the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces. All concerned desiring assistance or guidance will also communicate with the Insurance Branch.

6. It is realized that insurance is a necessary adjunct to industry, and that insurers require some information in order to operate intelligently. However, indications are that great care has been exercised with respect to dissemination of information concerning vital operations, but little or no attention has been paid to the insurance source. More emphasis will be placed upon security when selecting an insurer in connection with important operations, and security will never be sacrificed for price.

The foregoing is equally applicable to bonds, and strict compliance therewith by all concerned is in the National interest.

BONDS

§ 81.405 *Types of bonds.* There are set forth in paragraphs (a) to (n) below brief descriptions of the more common types of bonds, riders, and endorsements used in connection with War Department contracts. In certain of those paragraphs there are contained cross references to the forms of bonds, riders, and endorsements which are contained in §§ 81.496 and 81.497.

(a) *Bid bond.* A bid bond is a bond accompanying a bid in which the obligor obligates himself in an amount stated (the penal sum), which obligation, it is stated, is to be void if:

(i) The bid is not withdrawn after the opening within the period specified in the bid, or, if no shorter period is specified, within sixty days; and

(ii) A written contract, with such bond or bonds as may be required, is executed within ten days after the prescribed forms are presented for signature (For form see § 81.496 (a)).

(b) *Annual bid bond.* An annual bid bond is a single bond securing all bids submitted to a designated agency during the fiscal year. Such a bond is executed in lieu of executing separate bid bonds for each bid (For form see § 81.496 (b)).

(c) *Performance bond.* A performance bond is a bond which is executed in connection with a contract and which secures the performance and fulfillment of all the undertakings, convenants, terms, conditions and agreements contained in the contract (For form see § 81.496 (c)).

(d) *Annual performance bond.* An annual performance bond is a single bond securing the performance and fulfillment of all the undertakings, covenants, terms, conditions and agreements of all contracts executed with a designated agency during a fiscal year. Such a bond is executed in lieu of executing separate performance bonds for each contract (For form see § 81.496 (d)).

(e) *Payment bond.* A payment bond is a bond which is executed in connection with a contract and which secures the payment of all persons supplying labor and material in the prosecution of the work provided for in the contract (For form see § 81.496 (e)).

(f) *Advance payment bond.* An advance payment bond is a bond which secures the performance and the fulfillment of a contractual provision for the making of advance payments of the type described in § 81.321, et seq. (For form see § 81.496 (f)).

(g) *Patent infringement bond.* A patent infringement bond is a bond which secures the performance and fulfillment of the undertakings contained in a patent clause of the type set forth in § 81.335 (For form see § 81.496 (g)).

(h) *Fidelity bond (blanket).* A fidelity bond is a bond under which the obligor agrees to indemnify an employer up to an amount stated in the bond for losses caused by dishonesty on the part of all employees except those expressly excluded by written endorsement on the bond (For form see § 81.496 (i)).

(i) *Forgery bond or policy (depositor's form).* A forgery bond or policy is a bond or policy under which the obligor agrees to reimburse a purchaser and others named in the bond or policy (the insureds) to an amount stated in the bond or policy:

(1) For losses caused by the forging or altering of a check, draft, or similar instrument issued by or purported to have been issued by any of the insureds named in the bond or policy.

(2) For losses resulting from the fact that a check or draft has been obtained from the insureds through the device of impersonation (For form see § 81.496 (j)).

(j) *Retroactive reinstatement rider.* This rider contains a provision which is available for blanket fidelity and forgery bonds whereby after a loss has been sustained the penalty of the bond is restored to its original amount with respect to prior losses. There is contained in the bond itself a provision which automatically restores the penalty of the bond to the original amount with respect to future losses.

(k) *Waiver of restoration premium rider.* This rider contains a provision which is available for blanket fidelity and forgery bonds which has the effect of eliminating the premium charge for restoring the penalty of the bond after a loss has been sustained.

(l) *Endorsement excluding subrogation to claims against the United States.* This endorsement contains a provision which excludes any claim on the part of the surety company to be subrogated on payment of a loss or otherwise to any claim against the United States. It is required to be placed on any fidelity or forgery bond, the premium for which is either paid by the Government directly or is a reimbursable item under a cost-plus-a-fixed-fee contract.

(m) *Cancellation or change notice rider.* This rider contains a provision by which a surety agrees to notify certain named interested parties in the event that the bond is cancelled or changed in any other manner.

(n) *License or permit bond.* This is a bond which secures to a municipality or other public authority the payment of fines or the amount of any losses sustained as a result of action taken, or omitted to be taken, in violation of the terms of a license or permit. The indemnity sometimes runs to third persons in addition to the municipality.

§ 81.406 *Contract bond requirements on lump sum construction and supply contracts*—(a) *Bid bonds.* Bid bonds will not be required in connection with lump sum construction and supply contracts except when the contract was placed as a result of formal advertising and the invitation to bidders specified that the contracts were to be supported by performance and/or payment bonds. On such bonds as are required the penal sum will be in an amount deemed adequate for the protection of the United States. The maximum rates of premiums on such bonds are as follows:

(1) On construction contracts not exceeding $2,500, a premium of twenty cents per $100 of bid price, the minimum premium being $1.00;

(2) On construction contracts in an amount in excess of $2,500, a flat fee of $5.00 per bond;

(3) On supply contracts not in excess of $1,250 in amount, a premium of twenty cents per $100 of bid price, the minimum premium being $1.00;

(4) On supply contracts in excess of $1,250 in amount, a flat fee of $2.50 per bond.

The charge for a bid bond is applied as a credit against the premium for the performance bond if the contractor is the successful bidder.

(b) *Performance bonds.* The extent to which performance bonds will be required in connection with lump sum construction and supply contracts will be determined by the chief of the supply service concerned. However, the requirement of performance bonds will be the exception rather than the rule. On such bonds as are required the penal sum will be the lowest which, in the exercise of sound judgment, is deemed adequate for the protection of the United States. The maximum rates of premiums on such bonds are as follows:

(1) On lump sum construction contracts for both performance and payment bonds on the same contract with stipulated completion time not exceeding twelve months;

(i) For class "A" construction (including dredging):

(*a*) $5.00 per thousand of the contract price up to $2,500,000 and $3.75 per thousand of the portion of the contract price in excess of $2,500,000; or

(*b*) Where the total penal sum of the performance and payment bonds is less than 10% of the contract price, $40.00 per thousand of the aggregate penal sum of both the performance and payment bonds; and

(*c*) A minimum premium in any case of $7.50 per bond.

(ii) For class "B" construction (including highways and bridges):

(*a*) $6.65 per thousand of the contract price up to $2,500,000 and $5.00 per thousand of the portion of the contract price in excess of $2,500,000; or

(*b*) Where the total penal sum of the performance and payment bonds is less than 15% of the contract price, $45.00 per thousand of the aggregate penal sum of both the performance and payment bonds; and

(c) A minimum premium in any case of $10 per bond.

(2) On lump sum supply contracts (for performance bonds only), a premium of $1.00 per thousand of the contract price, the premium in no event to exceed $3.00 per thousand of the penal sum of the bond and in no event to be less than $5.00.

(c) *Payment bonds*—(1) *Lump sum construction contracts.* Payment bonds will be required in connection with all lump sum construction contracts where performance bonds are required. As a general rule payment bonds will also be required in connection with all other construction contracts which exceed $2,000 in amount. However, as to contracts where performance bonds are not required, the requirement of a payment bond may in the discretion of the chief of the supply service concerned be waived when the credit of the contractor makes the requirement unnecessary. The penal sum of payment bonds executed in connection with lump sum construction contracts will be as follows:

(i) When the contract price is $1,000,000 or less, 50 percent of the contract price;

(ii) When the contract price is in excess of $1,000,000 but less than $5,000,000, 40 percent of the contract price;

(iii) When the contract price is $5,000,000 or more, $2,500,000.

The maximum rates of premium for payment bonds executed in connection with lump sum construction contracts will be $4.50 per thousand of contract price up to $2,500,000 and $3.35 per thousand of the portion of the contract price in excess of $2,500,000; the premium in no case to exceed 3.3 percent of the penal sum of the bond. The minimum premium will be $10.00 per bond.

(2) *Lump sum supply contracts.* Payment bonds will not be required in connection with lump sum supply contracts except where, in the opinion of the chief of the supply service concerned, the requirement of such a bond would facilitate the prosecution of the war. The penal sum of the bond will be the lowest sum which in the exercise of sound judgment is deemed reasonably adequate for the protection of the United States as the representative of the suppliers of labor and materials. The maximum rates of premium on payment bonds executed in connection with lump sum supply contracts are as follows:

(i) On lump sum supply contracts of $1,000,000 or less where the penalty of the bond does not exceed 50% of the contract price: $2.25 per thousand on 50 percent of the contract price;

(ii) On lump sum supply contracts of $1,000,000 or less where the penalty of the bond exceeds 50 percent of the contract price: $2.25 per thousand of the penal sum of the bond;

(iii) On lump sum supply contracts in excess of $1,000,000 but not in excess of $6,250,000 where the penalty of the bond does not exceed 40 percent of the contract price: $2.25 per thousand on 40 percent of the contract price;

(iv) On lump sum supply contracts in excess of $1,000,000 but not in excess of $6,250,000 where the penalty of the bond exceeds 40 percent of the contract price: $2.25 per $1,000 of the penal sum of the bond;

(v) On lump sum supply contracts in excess of $6,250,000: $2.25 per thousand of the penal sum of the bond and in no event less than $5,625.

If both performance and payment bonds are required in connection with a supply contract, the rates set forth in paragraphs (b) of this section and subparagraph (2) of this paragraph represent the maximum rates of premium for each separate bond.

(d) *Advance payment bonds.* The extent to which advance payment bonds will be required in connection with lump sum construction and supply contracts is discretionary with the chief of the supply service concerned, but such bonds will be required only in the most exceptional circumstances. The penal sum of the bond will be the lowest sum which in the exercise of sound judgment is deemed reasonably adequate for the protection of the United States. The maximum rates of premium are as follows:

(1) On the first $2,500,000 advanced—$6.00 per thousand;

(2) On any sum advanced in excess of $2,500,000 and up to $5,000,000—$5.75 per thousand;

(3) On any sum advanced in excess of $5,000,000 and up to $7,500,000—$5.50 per thousand;

(4) On any sum advanced in excess of $7,500,000—$5.00 per thousand.

The above rates are computed on all moneys advanced, and are for bonds guaranteeing performance of contractual provisions covering advance payments only; they are not for guaranteeing the performance of any other contracts.

(e) *Patent infringement bonds.* (1) A patent infringement bond will not be required with respect to any contract in connection with which a performance bond has been executed.

(2) Even if a performance bond has not been executed the requirement of a patent infringement bond will be the exception rather than the rule. Where, however, a lump sum supply contract or construction contract contains a patent clause of the type set forth in § 81.335 and the financial responsibility of the contractor is unknown or doubtful, a patent infringement bond may, in the discretion of the chief of the supply service concerned, be required.

(3) On such bonds as are required, the penal sum will be the lowest which, in the exercise of sound judgment, is deemed adequate for the protection of the interests of the United States. The maximum rate of premium is $10 per thousand per annum on the penal sum of the bond. The maximum premium for the term of the bond is five annual premiums of $10 per thousand each. If the term premium is paid in advance, a discount of 20 percent is applicable.

(f) *Annual bid bonds.* The annual bid bond is not in general use for lump sum construction and supply contracts.

(g) *Annual performance bonds.* The annual performance bond is not in general use for lump sum construction and supply contracts.

§ 81.407 *Contract bond requirements for cost-plus-a-fixed-fee contracts*—(a) *Bid, performance, payment, advance payment, patent infringement, annual bid and annual performance bonds* will not be required for cost-plus-a-fixed-fee supply contracts, construction contracts, or contracts for the operation of Government-owned plants.

(b) *Fidelity bonds.* Fidelity bonds will be approved in connection with cost-plus-a-fixed-fee supply contracts, construction contracts or contracts for the operation of Government-owned plants only in those cases where in the opinion of the chief of the supply service concerned it is desirable to obtain the investigating and claims facilities of a surety company and such bonds are considered to be reasonably necessary for the protection of the contractor or the Government. A primary commercial blanket form of bond with a rider providing for retroactive reinstatement for prior losses in the penal sum of $10,000 will be considered sufficient. The following additional clauses will be required:

(1) A rider excluding any claim on the part of the surety company to be subrogated on the payment of loss or otherwise, to any claim against the United States;

(2) A rider providing for pro rata refund of premium in the event of cancellation by the insured;

(3) A rider providing for a notice to the chief of the supply service concerned in the event of any change in or cancellation of the bond;

(4) A rider providing for investigation of all claims;

(5) A rider providing for investigation of all Class "A" employees.

(c) *Forgery bonds.* This type of bond will be approved in connection with cost-plus-a-fixed-fee supply contracts, construction contracts or contracts for the operation of Government-owned plants only in those cases where, in the opinion of the chief of the supply service concerned, the operation of the contract requires the employment of a large number of new employees who may be inexperienced in the proper method of handling accounting matters and where the contractor concerned transacts the greater part of his business by checks. If, in such a case, it is determined that a forgery bond or policy is desirable to obtain the investigating and claims facilities of a surety company and is considered reasonably necessary for the protection of the Government or the contractor, a forgery bond or policy with a retroactive reinstatement rider may be approved in the penal sum of $10,000. This sum is considered sufficient. The clauses re-

ferred to in subparagraphs (1) to (4) of paragraph (b) above will be required.

(d) *License and permit bonds.* These types of bonds will be approved only in those cases where in the opinion of the chief of the supply service concerned such bonds provide a necessary protection to the Government or to the contractor against liability to third parties or where failure to provide such bonds would constitute a violation of an applicable ordinance or statute of a municipality or other public authority.

(e) *Endorsement excluding subrogation to claims against the United States.* In every case where a contract requires the United States to pay the premium, either directly or by way of reimbursement, on a bond, the bond will contain an endorsement or other recital excluding by appropriate language any claim on the part of the surety to be subrogated, on payment of a loss or otherwise, to any claim against the United States.

§ 81.408 *General policy as to rates.* The rates referred to in § 81.406 to paragraph (e):

(1) Are maximum rates. Where a surety charges less than the rates shown in said paragraphs, care should be observed that the savings resulting therefrom are reflected in the contract price.

(2) Apply to both prime contracts with the War Department and subcontracts thereunder.

(3) Apply to all bonds which were executed on or after August 28, 1942 in connection with contracts of the types referred to in § 81.406.

(4) Apply to the increased amount of any contract, the amount of which is increased on or after August 28, 1942.

(5) Are based on a stipulated completion time not exceeding twelve months on Class "A" and Class "B" construction contracts.

§ 81.409 *Filing and examination of bonds and consents of surety.* (a) All bonds of the types described in § 81.405 (a) to (n), will be executed in duplicate.

(b) (1) The original of all surety bonds required by the various elements of the War Department (except as hereinafter provided in subparagraph (3) below) will be forwarded to the Judge Advocate General. The latter will examine them as to legal sufficiency and as to form and execution. In the case of corporate sureties he will examine them to ascertain whether the corporate officials who purported to execute the bonds on behalf of the corporate sureties had authority to do so; and in the case of individual sureties he will examine them to ascertain whether the affidavit of justification and the certificate of sufficiency of the surety or sureties are in accordance with regulations. The Judge Advocate General will then forward the bond to the proper office for filing. The duplicate will be retained and filed in the office to which it pertains or which authorized its acceptance.

(2) Consents of surety will be handled in the same manner as bonds, except that for more expeditious handling they may be forwarded in blank to the Office of The Judge Advocate General which will have them executed in Washington under the expediter plan and then approve them.

(3) The following bonds will not be forwarded to the Judge Advocate General:

(i) Bid bonds (except annual bid bonds). The original and duplicate numbers will be retained in the office to which they pertain or which authorized their acceptance.

(ii) Blanket fidelity and forgery bonds. Refer to § 81.409 (c) for filing of duplicates.

(iii) All bonds required by Army regulations to be filed elsewhere than at the War Department. The original and duplicate will be retained in the office to which they pertain or which authorized their acceptance .

(c) The duplicate of all fidelity and forgery bonds will be forwarded to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, for examination and filing.

§ 81.410 *Bonds executed by receivers, trustees, administrators, or executors as principal obligors.* (a) Receivers, trustees, administrators, or executors are officers of the court which appointed them. Their powers are limited to those specified in the court order appointing them. Accordingly, when a bond is executed by such an officer of a court, a duly authenticated copy of the court order showing his authority to execute the bond should be obtained.

(b) All bonds executed by such a court officer should commence substantially:

I (we) John Doe (and _____) as executor(s) (administrator(s)) of the estate of _____, deceased (trustee(s) of _____) (receiver(s) _____).

(c) The execution should be prepared and signed by such court officer in the blank space provided for the signature of the individual obligors and should be in substantially the following form:

John Doe (and _____) as executor(s) (administrator(s)) of the estate of _____, deceased (trustee(s) of_____) (receiver(s) of_____).

(d) In the case of a bond executed by the receiver of a corporation, the corporate seal should not be affixed inasmuch as the bond is not the bond of the corporation itself, but a bond executed by the receiver on behalf of the estate of which he is receiver.

(e) Bonds executed by a receiver or trustee which may extend beyond the term of his appointment, and all bonds executed by administrators or executors will not in general be acceptable, unless the court has entered a specific decree authorizing the type of bond in question, or unless in the general decree appointing the officer the court has specifically granted authority to execute the type of bond in question. In either event a duly authenticated copy of the court order should be attached to the copy of the bond.

§ 81.411 *Bonds executed by limited partnerships as principal obligors.* If the principal obligor is a limited partnership the individual names and residences of the general and limited partners will appear in the body of the bond with a recital that they are general and limited partners respectively. The limited partnership shall be named, the location of its business specified, and the bond shall be executed in the name of the limited partnership by all of the general partners with a recital that they are general partners and by such general partners as individuals.

§ 81.412 *Reports.* The chief of each supply service will submit to the Chief of the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, a data sheet in connection with each contract in support of which a bond is required. The form of this data sheet is set forth in § 81.496 (l).

SURETIES ON BONDS

§ 81.415 *Definition of consent of surety.* A consent of surety is an instrument by which the surety or sureties on a bond or bonds supporting a contract:

(a) Consent to a supplemental agreement which modifies or amends the contract, or

(b) Consent to a change order making an authorized modification.

§ 81.416 *Requirement.* The circumstances under which consents of sureties are required are set forth in § 81.314 through paragraph (c).

§ 81.417 *Forms.* The form of consent to be used in cases where an advance payment provision was added by supplemental agreement subsequent to the original execution of the contract is set forth in subparagraph (2) of § 81.496 (h). The form of consent to be used in all other cases is set forth in subparagraph (1) of § 81.496 (h).

(a) *Filing and examination of consents of surety.* See § 81.410 (b).

§ 81.418 *Procedure for accomplishing execution of consent or correction of bonds and consents.* There are two procedures for obtaining the execution of consents. Either may be used but it is suggested that the so-called "expediter plan" expedites the handling of these matters particularly where a number of co-sureties are involved. On occasion, use of the so-called "standard plan" has resulted in considerable delay in obtaining consents or correction of bonds. Accordingly, the expediter plan is recommended. The following is a description of the two procedures:

(a) *Expediter plan.* There has been established in Washington at the Office of the Association of Casualty and Surety Executives, Washington Building, an arrangement whereby either Mr. Howard M. Starling or Mr. Charles M. Walker, on his sole unwitnessed signature, will execute consents of surety and make corrections in bonds and consents in compliance with requests originating either in Washington or in the field offices. These representatives of the surety industry have been so empowered by all of the surety companies on the Treasury Department List and authenticated evidence of their authority as above described has been filed with Office of The

Judge Advocate General and with the Section of Surety Bonds, Treasury Department. Whenever a supply service desires to avail itself of the expediter plan, it should transmit an unexecuted consent or the incorrect bond or consent in the manner described in subparagraph (2) of § 81.410 (b) to the Office of The Judge Advocate General. That office will get in touch with Mr. Starling or Mr. Walker who will handle all the details for the surety companies concerned and will execute or correct the instrument. The Office of The Judge Advocate General will then handle the document in the manner set forth in § 81.314 (d).

(b) *Standard plan.* If the expediter plan is not used, the request for a consent or for a correction of a bond or consent should be made directly to the surety company concerned or its representative.

§ 81.419 *Corporate sureties*—(a) *Corporate surety acceptability requirements.* In order to be acceptable to the War Department, the corporate surety must have obtained from the Secretary of the Treasury authority to do business under the Act of August 13, 1894 (28 Stat. 279), as amended by the Act of March 23, 1910 (36 Stat. 241); 6 U. S. C. 8; M. L. 1939, sec. 534. A list of the corporations approved by the Secretary of the Treasury is published semi-annually by the Treasury Department as Form No. 356 (Section of Surety Bonds). This list indicates the maximum penal sum in which any corporate surety may underwrite any one obligation. Any corporation whose name is on this list is acceptable within the limits of such approval. The chiefs of the supply services are responsible for distributing copies of the list. It may be procured through The Judge Advocate General to whom a requisition for the requirements of each supply service should be sent semi-annually on or before March 15 and September 15.

(b) *Qualifications of agents and corporate sureties.* Corporate sureties should forward to The Judge Advocate General, Washington, D. C. for filing: powers of attorney or certified copies of resolutions of their Boards of Directors or Trustees authorizing their officers or agents to execute bonds, and certificates evidencing the revocation of authority previously granted to execute bonds.

(c) *Corporate co-sureties.* More than one corporate surety may be accepted as surety upon any recognizance, stipulation, bond, or undertaking in connection with either supply or construction contracts, provided that in no case will the liability of any such co-surety exceed the maximum penal sum in which the corporate surety is qualified to underwrite any one obligation. On bonds covering supply contracts where the amount of the bond is greater than the underwriting limitation of the corporate surety, the latter may reinsure with a corporation on the acceptable list of corporate sureties and having the required underwriting capacity. Reinsurance agreements are not acceptable in connection with construction contracts. As indicated by the forms of bonds (see §§ 81.496 (c) (5), 81.496 (e) (4) and 81.496 (f) (5)), it is not necessary that corporate sureties obligate themselves for the full amount of the bond. Each corporate surety may, by setting forth the limit of its liability in the bond as a definite and specified sum, limit such liability. In all cases the liability shall be limited to the maximum penal sum in which the corporate surety is qualified to underwrite any one obligation. As further indicated by the aforementioned forms, the sureties must, however, bind themselves "jointly and severally" for the purpose of allowing a joint action or actions against any or all of them.

§ 81.420 *Individual sureties*—(a) *Acceptability.* Individual sureties are acceptable for all types of bonds other than fidelity and forgery bonds, provided that they meet the requirements specified in paragraphs (c) and (e) of this section.

(b) *Number.* If individual sureties are used there shall be at least two responsible individuals on each bond.

(c) *Citizenship.* (1) Except as prescribed in subparagraph (2) below individual sureties will be citizens of the United States.

(2) Sureties on bonds executed in foreign countries, the Canal Zone, Porto Rico, Hawaii, Alaska or any other possession of the United States, to secure the performance of contracts entered into in those places need not be citizens of the United States. However unless they are citizens of the United States they must be domiciled in the country, territory or possession where the contract is to be performed.

(d) *Extent of liability.* The liability of each individual surety shall extend to the entire penal amount of the bond except that when more than two sureties are furnished, the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, may authorize special provision with respect to the extent of liability.

(e) *Justification.* Individual sureties will each justify in an amount not less than the penal amount of the bond.

(f) *Stockholders as sureties.* In connection with any bond of which a corporation is the principal obligor, a stockholder of that corporation is acceptable as a surety on the bond: *Provided,* That his net worth exclusive of his stock holdings in the corporation is equal to the amount for which he justified: *And provided further,* That such fact is expressly stated in his affidavit of justification.

(g) *Partnerships as sureties.* A partnership or other unincorporated association, as such, will not be accepted as a surety. The individual members of the partnership or association may, of course, if they meet the requirements of § 81.420 (c) and § 81.420 (e) qualify as sureties. Individual members of a partnership or association will not, however, be acceptable as sureties on bonds under which the partnership or association, or any co-partner or member thereof, is the principal obligor.

§ 81.422 *Substitution or replacement of a surety.* In case of financial embarrassment, failure or other disqualifying cause on the part of a surety under a bond the chief of the supply service concerned will require the substitution of a new surety satisfactory to him.

§ 81.423 *Options in lieu of sureties on bonds.* Under the conditions set forth in §§ 81.423(a) and 81.423(b), United States bonds or notes, certified checks, money orders or currency may be deposited in lieu of furnishing sureties on bonds.

(a) *United States bonds or notes.* (1) Under the provisions of the Act of February 24, 1919, as amended, any person required to furnish a bond executed by him as principal obligor has the option, in lieu of furnishing sureties on his bonds, of depositing United States Liberty Bonds or other bonds or notes of the United States except as provided in subparagraph (2) (iii) below at a sum equal at their par value to the penal amount of the bond (Act of February 24, 1919, ch. 18, sec. 1320, as amended; 6 U. S. C. 15; M. L. 1939, sec. 540).

(2) *Procedure.* The procedure for carrying out the authority conferred by the above mentioned Act, is contained in Treasury Department Circular No. 154, issued under date of February 6, 1935. In general, the procedure is as follows:

(i) The cnotracting officer is the "bond approving officer" who will turn over the securities deposited with him to the local disbursing officer for safekeeping. The disbursing officer will receipt for the securities in duplicate on Form D, Treasury Department Circular No. 154.

(ii) Instead of retaining the securities turned over to him, the disbursing officer may deposit them with the Treasury of the United States, a Federal Reserve Bank, a branch of the Federal Reserve Bank, having the requisite facilities, or other depository duly designated for that purpose by the Secretary of the Treasury. The procedure is set forth in more detail in Treasury Department Circular No. 154.

(iii) United States Savings bonds may only be pledged in lieu of furnishing sureties, when the bond approving officer is the Secretary of the Treasury. The acceptance by a War Department contracting officer of United States savings bonds is thus precluded.

(iv) Treasury Certificates of Indebtedness are not acceptable in lieu of furnishing sureties.

(b) *Certified checks, money orders or currency.* Any person required to furnish a bond executed by him as principal obligor has the option in lieu of furnishing sureties on his bond, of depositing a certified check, a Post Office money order or currency provided that the penal sum of the bond is not in excess of $50,000. The following procedure will be followed:

(1) Certified checks or Post Office money orders will be drawn to the order of the Treasurer of the United States.

(2) Certified checks, Post Office money orders and currency accepted by the contracting officer in lieu of sureties on a bond will be promptly turned over to the local disbursing officer and deposited by him in a special deposit account. A certificate as to this action will be exe-

cuted by the disbursing officer and attached to the original bond.

(3) The amount of the security deposited will be refunded to the contractor when the obligation of the bond has by its terms ceased.

Sections 81.431 to 81.497 are added as follows:

INSURANCE

§ 81.431 *General policy.* Insurance coverages will be authorized or required only in those instances where public policy or interest makes it desirable to use the organization, facilities or other services of the insurance industry, or where a commingling of property and operations or circumstances of ownership make the carrying of insurance reasonably necessary for the protection of the several interests concerned.

§ 81.432 In every instance where a contract requires the United States to pay the premium either directly or by way of reimbursement on an insurance policy, the policy will contain an endorsement or other recital excluding by appropriate language any claim on the part of the insurer to be subrogated, on payment of a loss or otherwise, to any claim against the United States. For contract language see § 81.365 (c).

Insurance in Connection With Cost-Plus-a-Fixed-Fee Contracts

§ 81.434 *Insurance on Government-owned property.* (a) No insurance covering damage to or destruction of property, legal title to which is in the United States and which is to be used in connection with a cost-plus-a-fixed-fee contract, will be required or authorized without the prior approval of the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces. To implement this policy of self-insurance on government-owned property, there shall be included in the contract, a clause substantially similar to that set forth in § 81.365 (a). The policy of self-insurance rests to a large degree upon savings to the Government obtained by eliminating the cost of insurance which otherwise would be added to the contract price.

(b) Where it is considered advisable to impose specific standards of care such as an obligation to keep the facilities in good operating condition and repair and to make all necessary repairs and replacements, a clause to this effect may be included in the contract.

§ 81.435 *Waiver of Defense Plant Corporation insurance requirements*—(a) *Cost-plus-a-fixed-fee contracts.* Where cost-plus-a-fixed-fee contracts are being performed in facilities owned by the Defense Plant Corporation and leased to a contractor, the contractor is required by the terms of the lease to procure and maintain at his own expense fire and supplementary coverage on special forms. The Defense Plant Corporation is named as the insured on such policies. Inasmuch as the cost of such insurance is ultimately borne by the Government as a reimbursable item of cost, arrangements have been made with the Defense Plant Corporation pursuant to which that corporation has agreed to waive its insurance requirements in specific cases where it is requested to do so by the War Department. In such cases the War Department agrees that neither the failure to carry insurance nor any ensuing damage to or destruction of the facility will relieve the War Department of its existing obligation to the Defense Plant Corporation under takeout letters.

(b) *Eliminating insurance requirements.* In all cases where a definite saving in cost to the Government can be effected by eliminating Insurance requirements of the Defense Plant Corporation, the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, will be advised promptly of the following: (1) name of contractor; (2) number of contract; (3) type of contract; (4) location of facility involved; (5) the plancor or lease number; (6) the estimated saving, if the same can be estimated; and (7) the recommendation of the chief of the supply service. The Defense Plant Corporation will then be requested by the Insurance Branch, in appropriate cases, to waive its insurance requirements.

§ 81.436 *Casualty insurance.* Cost-plus-a-fixed-fee contractors, including, but not limited to, constructors, architect-engineers, architect-engineer managers, operators, and suppliers will be required to procure and maintain the insurance specified in paragraphs (a) to (c) of this section which, where practicable, will cover the operation of the prime contractor, cost-plus-a-fixed-fee subcontractor, and such other contractors or subcontractors for which provision is made in § 81.460.

(a) *Workmen's compensation insurance.* This coverage will be required as follows:

(1) In jurisdictions where there are workmen's compensation laws, either mandatory or elective:

(i) Statutory coverage, plus

(ii) In jurisdictions where the workmen's compensation law does not cover all occupational diseases, occupational disease coverage by endorsement for limits of $50,000 per person in any one case; and, subject to that limit for each person, for an aggregate limit of $100,000 for each year of the policy period;

(iii) In those jurisdictions where there is a "per accident" limitation of coverage under paragraph 1 (b) of the policy, an endorsement providing a $100,000 limit for each accident; and

(iv) In those jurisdictions where there is a "per person" limitation of coverage under paragraph 1 (b) of the policy, an endorsement providing a $50,000 limit for each person;

NOTE: In certain states the occupational disease aggregate limit is determined by the occupational disease premium. If such basic aggregate limit is less than $100,000 the lowest multiple thereof necessary to increase the aggregate limit to $100,000 will be used.

(2) In jurisdictions where there are no workmen's compensation laws, or where workmen's compensation insurance is carried in a State fund, which fund does not afford complete coverage as herein required, employers liability insurance, including occupational diseases coverage for limits of $50,000 per person in any one claim and, subject to that limit for each person, $100,000 for two or more persons in any one accident and an aggregate limit of $100,000 for each year of the policy period for occupational disease claims.

(b) *General liability insurance.* This insurance will be required with limits of $50/100,000 for bodily injury liability on the comprehensive policy form. The policy will be endorsed to include coverage of aircraft and water craft operations by elimination of any exclusions of such coverage contained in the policy.

(c) *Automobile public liability and property damage insurance.* This insurance will be required with limits of $50/100,000 for bodily injury liability and $5,000 for property damage liability on the comprehensive policy form covering all owned, non-owned, and hired automobiles which will be used in connection with the work to be done under a cost-plus-a-fixed-fee contract and which are not used exclusively on the premises at which the work under such contract is performed.

(d) *Self-insurance.* Self-insurance by cost-plus-a-fixed-fee contractors, in lieu of the requirements outlined in paragraphs (a) and (c) of this section, will not be approved except in unusual circumstances and then only after approval is obtained from the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces. Where the contractor requests and the chief of the supply service deems it desirable, that workmen's compensation insurance be provided by self-insurance, there will be submitted to the Insurance Branch the following:

(1) A duly authenticated copy of the authority to self-insure from the state or political subdivision having jurisdiction, if such authority is required by law;

(2) A detailed statement of the method or plan of self-insurance to be used and of the safety, claim and medical facilities which will be provided, including the cost thereof.

§ 81.437 *Miscellaneous insurance.* The chiefs of the supply services may consider that other forms of insurance are necessary in special instances. The circumstances under which these forms of insurance may be authorized are described in §§ 81.437 (a) to 81.437 (j). In general, the authorization of any of these forms of insurance will be the exception rather than the rule.

(a) *Payroll robbery, hold-up and safe burglary insurance.* This form of insurance will be approved only in those cases where substantial sums of money are in the care, custody, and control of the contractor in isolated areas where normal protection, which would be available in a stabilized situation, is lacking, or where a commingling of property and operations or circumstances of ownership make the carrying of insurance reasonably necessary for the protection of the several interests concerned.

(b) *General liability insurance for damage to property of others.* This form of insurance will be approved only in those cases where the operations con-

ducted are of such a nature that an accident might reasonably involve extensive destruction of property belonging to others, and it is considered desirable to obtain the experienced claims and investigating services of a reliable insurance carrier. When such insurance is authorized there will be provided a limit of $50,000 per accident and an aggregate limit of $100,000 for each year of the policy period. It is anticipated that this form of coverage will be necessary only for contractors engaged in the manufacture or handling of high explosives and in certain cases of aircraft operations.

(c) *Products liability insurance.* This form of insurance may be authorized in instances where a contractor under authority of its contract operates a commissary or other similar facility for dispensing food. Such insurance, when authorized, will be endorsement to the general liability policy and will provide a limit of $50,000 per person in any one accident; and, subject to that limit for each person, $100,000 for injuries sustained by two or more persons in any one accident; and, subject to the foregoing limits, an aggregate limit of $100,000 for all accidents during each year of the policy period.

(d) *Contractual liability insurance.* This form of insurance is provided in the comprehensive general liability policy where a contractor or subcontractor is authorized to assume and has assumed liability under: (1) a lease of premises, (2) an easement agreement, (3) an agreement required by municipal ordinance, (4) a sidetrack agreement, or (5) an elevator or escalator maintenance agreement. Where a contractor or subcontractor is authorized to assume and has assumed liability under an agreement other than one of those referred to in the preceding sentence and the chief of the supply service deems that insurance for the assumed liability is necessary, a copy of such agreement, together with full details and the recommendation of the chief of the supply service, will be forwarded to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces for appropriate action.

(e) *Boiler and machinery insurance*—(1) *Authorizations.* This form of insurance will not be authorized. It may be desirable to arrange for boiler inspection service.

(2) *Boiler inspection service.* When a cost-plus-a-fixed-fee contractor is performing his contract in a plant containing a number of boilers or other pressure vessels, it is generally desirable that such boilers or other pressure vessels receive periodic inspections. This is in the interest of continuous and safe operation. Accordingly, the chief of the supply service may authorize the use of the boiler inspection service contract by such a contractor (for form see § 81.497 (aa)). When practicable the boiler inspection service of the insurance company carrying the workmen's compensation insurance of the contractor will be used provided that such carrier has a fully qualified and experienced boiler inspection department. Otherwise, some other qualified insurance carrier will be selected.

(f) *Ocean or inland marine insurance.* These forms of insurance will not be required or authorized except in those cases where the procurement of certain types of such insurance is desirable or necessary for the protection of the contractor or the Government. In such cases the chief of the supply service concerned will submit the following data to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces:

(1) Name of contractor.

(2) Number of contract.

(3) Type of contract.

(4) Full information and details of the facilities or property, including description, its use and the voyage or location.

(5) The type of insurance protection requested, the rates for same, and the reasons why deemed necessary.

(g) *Marine war-risk insurance.* See § 81.461 et seq.

(h) *Fidelity bonds.* See § 81.407 (b).

(i) *Forgery bonds.* See § 81.407 (c).

(j) *License and permit bonds.* See § 81.407 (d).

§ 81.438 *Group insurance.* Group insurance plans and such other forms of insurance as are provided voluntarily to employees in order to indemnify them in the event of disabilities, dismemberments, hospitalizations or surgical treatments and to provide payments in the event of old age or death will be governed by the provisions set forth in paragraphs (a) to (f) of this section.

(a) All programs providing insurance of the character referred to in § 81.438 will be subject to the written authorization of the contracting officer.

(b) In determining proper standards for the type of group insurance benefits to be offered, unless there is substantial reason for providing otherwise, such plans will be consistent with the general employee relations policies existent throughout the contractor's organization or in conformity with approved agreements made as a result of collective bargaining with employees' representatives.

(c) If in the opinion of the chief of the supply service concerned the existing plan of group insurance is, in the light of paragraph (b) of this section, undesirable for the cost-plus-a-fixed-fee contractor, there shall be forwarded a full description of the plan desired by the contractor, together with the recommendation of the chief of the supply service to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, for appropriate decision.

(d) If a particular cost-plus-a-fixed-fee contractor, because his organization is of recent origin or for any other reason, has not previously provided a plan of group insurance and now desires to take out such insurance the following information will be forwarded to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces: (1) a statement as to whether such insurance is common to the industry and to the community; (2) the purposes for which the group insurance plan is needed at the particular plant; (3) any other pertinent information; and (4) the recommendation of the chief of the supply service concerned.

(e) Different considerations are involved for group annuities, and for other insurance not purchased under a group insurance policy. When it is desirable in the opinion of the chief of the supply service concerned to provide such insurance, a request for prior approval will be forwarded to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, together with the following information: (1) a complete outline of the hazards involved; (2) the number of personnel involved; (3) the nature and probable duration of the coverage; (4) any other pertinent information; and (5) the recommendation of the chief of the supply service concerned.

(f) *War Department group insurance rating plan.* The War Department group insurance rating plan, which is set forth in § 81.440 to §81.440 (r), is to be applied as provided in said paragraphs on and after March 1, 1943, in accordance with §§ 81.439 to 81.439 (d).

§ 81.439 *Procedure.* The chief of each supply service concerned will require cost-plus-a-fixed-fee contractors and their subcontractors to whom this plan is applicable to:

(1) Immediately request their insuring companies to attach to the policies involved a War Department Group Insurance Rating Plan Endorsement. Copies of all such requests will be obtained, and forwarded to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces.

(2) Request the insuring companies to furnish immediately to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, all details pertinent to underwriting properly the policies involved.

(a) *Effective date of plan.* A careful review of the group insurance program which is involved in each case will be made by the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, and, upon completion of such review, the supply service concerned will be advised of the date on which the War Department group insurance rating plan is to be effective in each particular case.

(b) *Application for plan to be made immediately.* There will be certain cost-plus-a-fixed-fee contractors and subcontractors involved in this program, particularly those whose cost-plus-a-fixed-fee operations are commingled with lump sum or private operations, for whom it will be necessary to have the group insurance program carefully correlated with existing conditions; and there may be certain legal steps involved which will have to be fully explored. It is desired, therefore, that each contractor and subcontractor involved be required to make application immediately to the insuring companies for the War Department Group Insurance Rating Plan Endorsement, irrespective of the renewal dates of their policies.

(c) *Applicability of plan.* It is contemplated at this time that the War Department group insurance rating plan will be applied only in connection with policies covering cost-plus-a-fixed-fee contractors' employees when the work is either 100 percent cost-plus-a-fixed-fee or when the cost-plus-a-fixed-fee operations are physically separated from other operations of the contractor, either private or lump sum. There may be cases, however, where, pursuant to a review of the commingled operations, it will be possible to apply the rating plan.

(d) *Review by Insurance Branch.* Prior to the final acceptance of renewals or new purchases of group insurance, all such renewal or new purchase programs, together with the pertinent data, will be referred to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, for approval.

§ 81.440 *Description of plan*—(a) *General requirements.* On and after March 1, 1943, renewal of existing group insurance policies or the purchase of new group insurance policies, so far as cost is concerned, for prime cost-plus-a-fixed-fee contractors and cost-plus-a-fixed-fee subcontractors thereof, will be authorized only if the factors which the insuring company uses for that portion of such policies covering the cost-plus-a-fixed-fee contract are not greater than the maximum factors set forth in paragraphs (d) to (g) of this section, except that:

(1) The provisions of paragraphs (a) to (r) of this section shall apply only to such policies under which more than 500 employees, operating under the cost-plus-a-fixed-fee contract, have been insured either on the effective date, if such policy is issued on or subsequent to March 1, 1943, or on any renewal date on or subsequent to that date irrespective of when the policy was issued.

(2) If the contractor desires to renew existing group insurance policies or to purchase new group insurance policies with or from an insuring company which uses factors greater than herein set forth, the United States shall not make, nor be liable for, reimbursement in an amount greater than would result from calculation in accordance with the provision of paragraphs (a) to (r) of this section, but no authorization shall be granted in any case if the pool reserve (subparagraph (2) of paragraph (g) of this section) is not established and maintained exactly as specified herein.

NOTE: If the contractor does not desire to renew existing group insurance policies with an insuring company which refuses to issue a War Department Group Insurance Rating Plan Endorsement, the contractor's cost for the terminating year will be reimbursed in accordance with his contract.

(b) *Experience refund.* When the amount resulting from use of all factors in less than the earned premium according to the premium rates in force for the period for which calculation is made, the excess shall be returned by the insuring company to the contractor within two months of the date of calculation, except as otherwise provided in the succeeding paragraphs.

(c) *Premium limitations.* Furthermore, anything contained herein to the contrary notwithstanding, the maximum charge by the insuring company to the contractor for such insurance in any period shall be determined by applying the premium rates in the policy in effect for such period.

(d) *Factor No. I; total losses.* Total losses shall be the amount of drafts issued during the period of calculation subject to the following modifications:

(1) An appropriate adjustment may be included for the amount of drafts issued during the succeeding period of two months on claims occurring during the period covered by the calculation (if corresponding adjustment is made at the beginning of the period), or, an insuring company which administers its business regularly on such basis may determine as its total losses for any policy period for the purposes of this section the drafts issued on claims occurring in such period or within the succeeding two months, plus an estimate of the drafts issued on unclosed claims occurring within such period.

(2) For death claims and for total and permanent disability claims approved for payment by the insuring company but for which either no payment or only partial payment has been made, an appropriate adjustment of losses may be included so as to include the face amount of claims approved for payment, with a deduction for the commuted value of any remaining installments on disability recoveries when the face amount of the claim approved for payment has previously been included in the losses charged under this plan.

(3) For waiver of premium total and permanent disability claims, losses may be appropriately adjusted to include, in lieu of actual payments at death, an amount of $850 for each $1,000 of such claims approved, and such amount shall be increased upon death by $150, and reduced upon recovery by $850 for each such $1,000 of insurance. Two years after the completion or termination of all cost-plus-a-fixed-fee contracts effective with each insuring company under this rating plan, or after the termination of the last insurance policy effective with each insuring company under this plan, whichever occurs sooner or at such earlier date as may be considered appropriate by the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, the reserves remaining on account of all such approved claims shall be subject to revaluation by an arbitration committee as provided in paragraph (k) of this section.

(e) *Factor No. II*—(1) *Expense and risk charges.* The maximum allowable charge for taxes, conversions, and claim administration shall be 3.75 percent of the premium at the rate effective for the period of calculation, subject to the following modifications:

(i) *Taxes.* If the estimated amount incurred by the insuring company on all its policies operating under this plan for taxes on premium, surplus, or income exceeds 2 percent of the premium, such estimated amount of taxes may be charged, subject to the approval by the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, of the items to be included and the method of calculation. With such approval, the insuring company may estimate as of January 1 of each calendar year what its average tax rate will be for the policy years ending in the coming calendar year and charge that rate on all the policy years ending in that calendar year. If the actual taxes incurred on renewals in that calendar year, computed on either an average or individual contract basis, whichever basis is used by the insuring company for charging such items on its business, generally differ from the amount produced by the estimated factor the difference shall be charged or credited by the insuring company in its calculation of the estimated average tax rate for renewal in the following calendar years. Any difference remaining after the completion or termination of the last cost-plus-a-fixed-fee contract effective with each insuring company under this rating plan, or after the termination of the last insurance policy effective with each insuring company under such plan, whichever occurs sooner, shall be credited or charged, as the case may be, before the final disposition of the pool reserve as set forth in subparagraph (2) of paragraph (g) of this section.

(ii) *Conversions.* An insuring company may elect to have the percentage of 3.75 percent reduced to 2.25 percent for life insurance and include in lieu of the difference the actual cost charged by the insuring company to its group department, for actual conversions under all policies operating under this plan, if such charge per $1,000 of insurance converted is no larger than such insuring company charges its group department during the period for all such conversions. However, an insuring company which so elects will be considered to have experienced a conversion rate in excess of normal, if during the period that each policy comes under this rating plan the ratio of the amount of insurance converted for such policy to the total of the amount of insurance terminated for such policy is greater than the corresponding ratio for the remainder of such insuring company's corresponding business for this period, and under such circumstances charges for insurance converted will be subject to the approval of the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces. (Such elections will be made in writing to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, and will apply to all such insuring company's business under this rating plan.)

(iii) *Claim expense.* If the actual amount incurred by the insuring company for claim expense on all its policies operating under this plan exceeds the amount otherwise determined by this paragraph, the actual amount of such claim expense may be charged only if the Insurance Branch, Fiscal Division, approves the calculation. With such approval, the insuring company may estimate as of January 1 of each calendar year what its average claim expense rate will be for renewals in the coming calen-

dar year and charge that rate on all renewals in that calendar year. If the actual claim expense incurred on renewals in that calendar year, computed on either an average or individual contract basis, whichever base is used by the insuring company for charging such items on its business, generally differs from the amount produced by the estimated factor the difference shall be charged or credited by the insuring company in its calculation of the estimated average claim expense rate for renewals in the following calendar year. Any difference remaining after the completion or termination of the last cost-plus-a-fixed-fee contract effective with each insuring company under this rating plan, or after the termination of the last insurance policy effective with each insuring company under such plan, whichever occurs sooner, shall be credited or charged, as the case may be, before the final disposition of the pool reserve as set forth in subparagraph (2) of paragraph (g) of this section.

(iv) *Plans self-administered.* Where claims drafts are issued by the contractor or the contractor's agent the amount of the maximum allowable charge for all coverages other than life insurance shall be reduced by 1.25 percent of the premium.

(2) *Other expenses and risk charges.* The maximum allowable charge for expenses not included in subparagraph (1) above, or in paragraph (f) of this section, and for the insuring company's risk charges, shall be determined by Table I as follows:

TABLE I

Annual premium	Percentage of earned premium developed by applying standard rates with extras for industry, sex, race, or any other cause	
	1st year	Renewal
	Percent	*Percent*
$10,000 or less	16	11
25,000	12	7
50,000	11	6.5
10,000	10	5.5
250,000	9	4.5
500,000	7	3.5
1,000,000	6	3
Over 1,000,000	5	2.5

(i) The annual premium in Table I shall be taken as the premium for each form of coverage under each insurance policy, except dependent coverage shall not be considered as a separate coverage.

(ii) If the annual premium lies between any two of the figures in the annual premium column, the percentage shall be interpolated to the nearest tenth of one percent.

(iii) The figures shown in the column headed "1st year" shall not be used on premiums other than those earned in the first 12 months that an insurance policy was effective on a company, plant, or unit.

(iv) For policies which are not operated on the so-called "self accounting plan," all percentages in the above table may be increased by 1 percent of the premium.

(f) *Factor No. III; Commissions.* The maximum allowance for commission charges by the insuring company in connection with payments to soliciting agents or brokers will be:

(1) *Coverage in effect prior to March 1, 1943.* For insurance plans effective before March 1, 1943, not more in amount nor longer in duration than would be provided upon the basis of commission agreements applicable to such plans and consummated prior to March 1, 1943: *Provided:*

(i) That such agreements are pursuant to customary practice of the respective insuring companies.

(ii) That so-called "1st year" commissions shall not be paid on premiums other than those earned in the first 12 months that the insurance was effective on a company, plant, or unit, and that such "1st year commission treatment" was decided and entered in the home office records prior to March 1, 1943.

(iii) That renewal commissions shall not be paid for longer than nine years subsequent to the expiration of the first year commissions.

(2) *New coverage.* For insurance plans effective on or after March 1, 1943, not more than the percentages in the following table as applied to earned premiums without extras for industry, race, sex, or any other cause:

TABLE II

Maximum soliciting agent's or broker's commission

Total combined earned premium as calculated in accordance with this paragraph:	*Percent*
1st $10,000	7½
Next $40,000	4
Next $50,000	2
Next $400,000	1
Over $500,000	½

In determining the percentage from the above table, an insurance plan will be considered as including all coverages issued on and after the effective date of this rating plan covering the same group of employees working in operations to which a cost-plus-a-fixed-fee contract applies. If the insurance plan so defined is handled by more than one insuring company, the maximum allowance for commission charges for all coverages combined will be the same as that which would be allowed if the insurance plan were being handled by one insuring company. The maximum percentage allowance to be used by each insuring company concerned on that portion of the insurance plan which it is handling will be the percentage based on the combined premium for all the coverages included in the plan, regardless of what insuring company handles each coverage. Commissions on "extensions", "increases in coverages", and similar actions will be paid in accordance with the scale in Table II, but premiums on which first year or renewal commissions have been paid previously shall be counted in determining the proper place in the above premium column to commence the commission computation.

(3) *Commission savings.* Any savings which an insuring company may effect by reason of paying less commission on these insurance policies than are charged to these policies shall be credited to the contractors insured in accordance with this plan in the manner determined by the Insurance Branch, Fiscal Division.

(4) *Additional commissions.* Any charges above and beyond the agreements herein specified shall not be allowable as an item of reimbursable expense unless and until approved by the Insurance Branch, Fiscal Division.

(g) *Factor No. IV.* (1) Policy reserves:

(i) *Open claims.* As a maximum allowance for a reserve for claims incurred but for which no payment has been made, or for a reserve for additional payments on claims on which partial payment has been made (in addition to any amounts already charged as losses under § 81.440 (d)), the insuring company may retain the percentage of premiums in Table III (see subdivision (iii) of this subparagraph (1) below), calculated by using minimum rates with extras for industry, race, sex, or other cause.

(ii) *Final disposition.* Two years after the completion or termination of all cost-plus-a-fixed-fee contracts effective with each insuring company under this rating plan, or after the termination of the last insurance policy effective with each insuring company under this plan, whichever occurs sooner, or at such earlier date as may be considered appropriate by the Insurance Branch, Fiscal Division, the difference between the total amount charged under this rating plan by each insuring company for such reserves over the sum of (*a*) the amounts actually paid as the result of claims under this rating plan for which such reserves were held, and (*b*) the amounts required for subsequent payments (such latter amounts to be calculated by the insuring company and submitted for the approval of the Insurance Branch, Fiscal Division), shall be returned to the contractors or their successors or nominees (policies on which the insuring company has paid out an amount equal to or greater than the amount charged for policy reserves shall be excluded in making this calculation) according to the ratio that the difference between the amount of policy reserves charged on each such policy and the amount of policy reserves paid or required for subsequent payments on each such policy bears to the total of such differences, or shall be deducted by the insuring company from any settlement otherwise available from the pool reserve set forth in subparagraph (2) of this paragraph (g) of this section, as the case may be, but such charge shall be made to the pool reserve only if satisfactory proof is furnished the Insurance Branch, Fiscal Division, that the policy reserves, in the aggregate, set up by the insuring company at the time this rating plan became effective, were sufficient to pay all losses on claims occurring prior to the date this plan became effective with respect to such policies.

TABLE III

Forms of insurance:	*Percentages of earned premium as defined in paragraph (a) above*
Life insurance:	
(a) With permanent total disability benefit	30
(b) With premium waiver provision	15
(c) With extended death benefit	10
Indemnity for accidents or sickness	10
Indemnity for hospital confinement	[1] 10
Indemnity for surgical operations	[1] 10
Accidental death and dismemberment insurance	10

[1] For policies including maternity or obstetrical benefits for dependents of employees, an additional reserve of 25 percent of the premium for the dependent coverage (including the premium for the maternity coverage) may be held.

(iii) Subject to the limitations of this plan, the policy reserves maintained shall be in strict accordance with the general practice of the insuring company.

(2) *Pool reserve*—(i) *Final disposition.* Each insuring company shall create and maintain a pool reserve which shall be available for the payment of losses (as outlined in subdivision (iii) (*b*) of this subparagraph (2)) under that portion of all of its policies to which a War Department Group Insurance Rating Plan Endorsement applies. Two years after the completion or termination of all cost-plus-a-fixed-fee contracts effective with each insuring company under this rating plan, or after the termination of the last insurance policy effective with each insuring company under this plan, whichever occurs sooner, or at such earlier date as may be considered appropriate by the Insurance Branch, Fiscal Division, any portion of this reserve which has not been used for any of the purposes authorized by this rating plan shall be returned to the contractors or their successors or nominees. Such return shall be allocated to the various policies in proportion to the difference between each policy's contribution to the total pool reserve and the amounts withdrawn from such reserve to pay claims under such policy, but policies on which the insuring company has paid out an amount equal to or greater than the amount charged for the pool reserve shall be excluded in making this calculation.

(ii) *Use.* If the total losses under any contractor's policy for any policy year plus one-half the maximum increase in the policy reserve permitted for the period by reason of increase in premium, or minus the decrease in policy reserve by reason of decrease in premium, to the extent that the result is not less than the premium, as the case may be, shall exceed 100 percent of the earned premium for such year calculated on the basis of minimum rates with any extras for industry, race, sex, or other cause, the insuring company shall be entitled to reimbursement for all such amounts in excess of such premium and this amount shall be added to the contribution required of this policy to the pool reserve.

(iii) *Establishment and maintenance.* To establish and maintain this pool reserve, the insuring company shall, in calculating any experience refund for any year, be entitled to deduct the amount, if any, by which the larger of (*a*) 20 percent of the premium for the year for which such experience refund is applicable, such premium to be calculated on the basis set forth in the preceding paragraph, or (*b*) the extra premium for industry accumulated from the renewal date prior to March 1, 1943, to the date of calculation, exceeds any amount actually remaining in the pool reserve from previous contributions to such reserve by this contract. The amount of such deduction for any year shall in no event exceed the amount, if any, remaining after completing the operations set out in subparagraphs (1) to (8), inclusive, of paragraph (h) of this section.

(h) *Maintenance of a rating account.* The insuring company shall maintain an experience rating account for the insurance under each policy to which this rating applies. As of each renewal date and within 60 days, this account shall be adjusted in the order indicated:

(1) Credit the actual premium.

(2) Charge losses as described in paragraph (d) of this section.

(3) Charge one-half the maximum increase in the policy reserve permitted for the period by reason of increase in premium in accordance with subdivision (iii) of subparagraph (1) of paragraph (g) of this section.

(4) Credit the decrease in policy reserve by reason of decrease in premiums to the extent that (2) exceeds (1).

(5) Credit from the pool reserve:

(i) In the event of an increase in policy reserve (2) plus (3) minus (1).

(ii) In the event of a decrease in policy reserve (2) minus (4) minus (1).

(6) Charge expenses not greater than the maximum allowable under paragraphs (e) and (f) of this section.

(7) Charge deficit carried over (if any) from previous period. (In first calculation under this plan (7) shall be taken as zero. For subsequent calculations, it shall be taken as (11)).

(8) Charge an amount, if available, which if added to (3) shall not be greater than sufficient to attain one-half the maximum policy reserve for the period as set forth in subparagraph (1) of paragraph (g) of this section.

(9) Charge an amount, if available, not greater than sufficient to establish and maintain the appropriate maximum amount in the pool reserve as of the end of the period in accordance with subparagraph (2) of paragraph (g) of this section.

(10) Charge an amount, if available, not greater than sufficient to attain the maximum policy reserve for the period as set forth in subparagraph (1) of paragraph (g) of this section.

(11) Deduct total charges from total credits. If result is positive, treat as experience refund; if result is negative, treat as deficit.

It is recommended that each insuring company maintain in connection with each policy an experience rating account, a policy reserve account, and a pool reserve account, showing the maximum allowable reserves under each account, the actual reserves set up, and all debit and credit transactions affecting these accounts.

(i) *Distribution of experience refund.* When an experience refund or reserve refund is made by the insuring company, the contractor shall proceed in the following manner unless approval for a different procedure is given by the Insurance Branch, Fiscal Division:

(1) Any such refund shall be credited to the contractor's charge to the War Department, except that the contractor may, with the consent of the Insurance Branch, Fiscal Division, continue any practice he may have had prior to March 1, 1943, as to the application of all or any part of such refund. In any event, if the refund exceeds the contractor's contribution to the cost of the plan, the excess shall be applied for the sole benefit of the employees.

(2) In the event that unforeseen circumstances prevent such division of any refund, any or all of such monies so affected shall be payable to the United States.

(j) *Minimum contribution by employees.* If any contractor has a group insurance policy under which the employees' contributions are at a rate lower than specified in this paragraph, the United States shall not make or be liable for reimbursement in an amount greater than the maximum reimbursement that could result under such plan of group insurance if the employees' contributions were at the rates herein set forth. If the group insurance was in force on March 1, 1943, the minimum rate of contributions for the purpose of this paragraph shall be the scale of contributions applicable at that time, and if the group insurance was not in force on March 1, 1943, the minimum contributions shall be the equivalent of 60c per month per $1,000 of group life insurance and 60c per month per $10 of weekly indemnity for accidents and sickness, unless a lower scale of contributions is approved by the Insurance Branch, Fiscal Division.

(k) *Establishment of arbitration committee.* For revaluation of the reserves described in subparagraph (3) of paragraph (d) of this section, and for decision relative to other reserves not returned within the time limits specified, an arbitration committee shall be selected consisting of three members, one selected by the insuring company, one by the contractor, and the third by these two members, and the majority decision of this committee shall be final if approved by the Insurance Branch, Fiscal Division.

(l) *Forwarding of data.* As soon as the insuring company has furnished to the contractor the renewal data required herein, it shall be forwarded to the insurance Branch, Fiscal Division, for examination.

(m) *Limitation of reimbursement.* There shall be no reimbursement, or liability for reimbursement, in excess of that developed by applying generally recognized extras for sex, industry, or race (except extra higher rates in effect prior to March 1, 1943), unless such reimbursement has had approval of the

Insurance Branch, Fiscal Division, prior to the effective date of any rates greater than above specified.

(n) *Termination of contract by the Government.* In the event the cost-plus-a-fixed-fee contract is terminated by the Government, all liabilities and assets of the contractor existing by reason of the operation of any group insurance policies during the period a cost-plus-a-fixed-fee contract was in force, shall become liabilities and assets of the Government.

(o) *Endorsement of policies.* All policies shall bear suitable identifying endorsement, in a form acceptable to the Insurance Branch, Fiscal Division, as evidence that the War Department group insurance rating plan is applicable.

(p) *Effective date.* The effective date of this rating plan, as to any policy or portion thereof to which it is applicable, shall be determined by the Insurance Branch, Fiscal Division, but shall not be earlier than March 1, 1943.

(q) *Exceptions.* If in the opinion of the Insurance Branch, Fiscal Division, there are circumstances which would make the application of this plan inappropriate, it shall not become operative, anything contained herein to the contrary notwithstanding.

(r) *Limitation of regulations.* Nothing contained herein shall be construed as regulating the charges which an insurance company can make under any policy or policies.

§ 81.441 *Benefits in event of capture or detention of employees.* Standards for the amount of benefits and the methods of providing payment to employees in the event of their capture or detention are set forth in Public Law 784, 77th Congress. This law sets forth the policy of Congress and provides that upon claims being filed as specified therein, payment or reimbursement will be negotiated through the United States Employees Compensation Commisison. Where, in the opinion of the chief of the supply service concerned, it is necessary that the amount of benefits be increased over that prescribed in the statute above referred to, prior approval of the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces will be obtained. The following information will be forwarded to that Branch: (1) reasons why such increase is necessary; (2) statement as to whether qualified employees can be obtained without providing increased benefits; (3) number of employees involved; (4) location of operations; (5) any special hazards; (6) any other pertinent information; (7) the recommendation of the chief of the supply service concerned.

§ 81.442 *Insurance in connection with cost-plus-a-fixed fee contracts outside of the continental United States.* Sections 81.434 to 81.442 may not be applicable to cost-plus-a-fixed-fee contracts for work to be performed outside the continental United States. Such contracts involve questions of the applicable laws and local conditions which will be encountered in the country where the work is to be performed, as well as questions of the medical and hospital facilities for the treatment and care of employees of the contractor. Insurance companies generally are not equipped or licensed to underwrite insurance in foreign countries. In order to establish the required coordination in connection with such contracts, the chief of the supply service concerned will advise the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, of all such contemplated work as far in advance as possible. Arrangements will then be made to have a representative of that Branch present, if practicable, during the negotiations with respect to the contract provisions pertaining to insurance liability, medical and hospital matters. The Insurance Branch, Fiscal Division Headquarters, Army Service Forces, will be responsible for the establishment and proper functioning of insurance facilities on such projects, and direct communication is authorized for this purpose.

Insurance in Connection With Lump Sum Contracts

§ 81.450 *General.* No insurance requirements, other than statutory requirements, will be imposed on the contractor unless in the opinion of the chief of the supply service concerned the imposition of certain insurance requirements will serve to safeguard the contractor's ability to perform the contract. If performance and payment bonds support the contract, the requirement of any insurance should be unnecessary.

§ 81.451 *Insurance on government-owned property.* The same general policy exists with respect to government-owned property in the possession, care, custody or control of the lump sum contractor as exists with respect to property in the possession, care, custody or control of cost-plus-a-fixed-fee contractors (see § 81.433). The policy to a large degree rests upon the savings to the Government obtained by elimination of insurance which savings are reflected in the contract price. Where, by reason of special circumstances, such savings are not practicable, are trivial in amount, are difficult of ascertainment or there is a commingling of values and interests, the chief of the supply service may in his discretion permit insurance. This will ordinarily be done in the case of service contracts of the type of laundry and shoe repair contracts, and contracts with motor carriers for the transportation of government-owned property. In such cases there will be omitted from the contract the clause set forth in § 81.365 (a).

§ 81.452 *Waiver of Defense Plant Corporation insurance requirements.* Inasmuch as the insurance costs are included in the contract price, the provisions of § 81.435 to paragraph (b) are also applicable to lump sum contracts.

§ 81.453 *Lump sum contracts excluding cost of insurance.* In certain cases contracts are awarded on a basis of a contract price exclusive of the cost of the forms of insurance specified in § 81.436 (a) to (c). Such contracts contain a provision pursuant to which the Government agrees to reimburse the contractor on an actual cost basis for the cost of such insurance. In such cases, the provisions of §§ 81.434 to 81.442 of this Procurement Regulation No. 4, are applicable to such insurance. The contractor may purchase at his own expense such additional or other insurance protection as he may deem necessary.

Architect-Engineer-Management Contracts

§ 81.460 *Architect-Engineer-Management Contract.* (a) In the interest of security and in order to obtain the most suitable and efficient arrangements with respect to insurance, hospital, and medical, loss paying and safety engineering facilities, the chief of the supply service concerned will require the contractor under an architect-engineer-management contract to provide through one insurance company specified insurance for all cost-plus-a-fixed-fee contractors and subcontractors, lump sum contractors and lump sum subcontractors other than contractors and subcontractors under supply contracts and subcontracts. Such insurance will afford the contractors and subcontractors the coverage referred to in §§ 81.436 (a) to (c) (for contract provisions see § 81.365 (e) through (h).

(b) The contractors or their subcontractors may purchase at their own expense such additional or other insurance protection as they deem necessary. When insurance carriers furnishing such additional protection request access to the site of the work for personnel engaged in servicing such insurance, the chief of the supply service concerned may deny such access, or restrict it to such of those personnel as it is, in his judgment, necessary to admit for the proper servicing of the insurance.

War Risk Insurance in Connection With Vessels or Other Floating Equipment

§ 81.461 *Master policy.* A master policy issued by the War Shipping Administration to the War Department permits the War Department to insure with the War Shipping Administration war risks or liabilities which it has assumed or for which it is obligated in connection with certain persons, vessels or other floating equipment. Declarations under this policy will be made through the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces except that any supply service or representative thereof specifically authorized by The Commanding General, Army Service Forces, may make such declarations directly to the War Shipping Administration and will furnish copies thereof to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces.

(a) The master policy covers risks or liabilities that are assumed by or that may be imposed on the War Department:

(1) As owner, operator or owner and operator of vessels or other floating equipment;

(2) Under charters or other forms of contracts for the use by the War Department of privately owned vessels or other floating equipment;

(3) Under any form of agreement for the operation of such vessels or equipment;

(4) Under any form of agreement for the carriage by water of any person or property on a commercial basis; and

(5) Under any contract for the construction of vessels or other floating equipment for the War Department.

(b) The persons, vessels, property, or interests that may be insured under the master policy are those set forth in section 222 of Public Law 523, 77th Congress, namely:

(1) Vessels:

(i) American vessels (including vessels under construction).

(ii) Vessels registered under the law of the Philippine Islands.

(iii) Foreign-flag vessels owned by citizens of the United States (as said term "citizen" is used in Public Law, 173, 77th Congress, approved July 14, 1941) or owned or controlled by or made available as described in subparagraph (3) of paragraph (a) of this section but engaged in the water-borne foreign commerce of the United States or other transportation by water or other vessel services deemed by the Maritime Commission to be in the interest of the war effort or the domestic economy of the United States, while so engaged.

(2) Cargoes shipped or to be shipped on any vessels specified in subparagraph (1) above, including shipments by express or registered mail.

(3) The disbursements (including advances to masters and general average disbursements) and freight and passage moneys of such vessels.

(4) The personal effects of the masters, officers and crews of such vessels, and of other persons transported on such vessels.

(i) Personal effects of licensed officers and other persons may be covered for $500; and of unlicensed crew members for $300.

(5) Master, officers and crews of such vessels and other persons employed or transported thereon against the loss of life, personal injury or detention by an enemy of the United States following capture. (i) *Crew Life.* Personnel of vessels and other persons may be covered for $5,000 against loss of life and for scheduled benefits against injury. (ii) *Wages and bonuses.* Liability for wages and bonuses of personnel of vessels may be covered against loss resulting from internment or destruction or abandonment of vessels resulting from capture, seizure, etc.

(6) Protection and indemnity. Statutory or contractual obligation or other liabilities of such vessels or of the owner or charterer of such vessels of the nature customarily covered by insurance. (If protection and indemnity is required, report should reflect value of the vessels or approximately $150 per gross ton subject to a minimum of $50,000 per vessel.)

(c) The master policy does not cover:

(1) Total or constructive total loss, or partial loss (particular average) of any vessels, equipment, or property owned by the War Department;

(2) Claims for damage or service of any nature asserted by any other Government department or agency, or barred by decisions of the Comptroller General;

(3) Liabilities of any nature toward personnel of the military forces of the United States and other United Nations;

(4) Any losses or liabilities existing or imminent at the time any vessel, property or other interest is reported to the War Shipping Administration for coverage under this policy;

(5) Losses or liabilities of any nature excluded by the provisions of War Shipping Administration policies.

(d) Declarations. The chief of the supply service concerned, except as provided in § 81.461, will report to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces risks coming within the provisions of the master policy. For required form of report see § 81.497 (c).

Purchase of Insurance by Cost-Plus-a-Fixed-Fee Contractors

§ 81.470 *Acceptability of insurance carrier.* (a) The contractor will designate its own insurance carrier on all projects except where insurance is placed on a competitive bid basis as hereafter provided in § 81.471 (b). The insurance carrier selected must meet the following minimum standards of acceptability:

(1) At least 80% of the outstanding stock of the insurance carrier must be owned by citizens of either the United States or one or more of the other United Nations; and the carrier must be wholly controlled and operated by such citizens and free from any direct or indirect Axis or pro-Axis connections or influence.

(2) The carrier must have an unobligated minimum surplus of $350,000.

(3) In the case of a contract of casualty insurance, other than workmen's compensation insurance, the financial condition of the insurance carrier must be such that the policy will not expose it in a single accident or occurrence to a loss (i) in the case of a fixed-premium carrier of more than 10% of its total capital stock and surplus, or (ii) in the case of a dividend paying carrier of more than 10% of its net assets.

(4) In the case of workmen's compensation insurance, the insurance carrier shall have (i) in the case of fixed-premium carrier, a total capital and surplus of at least a million dollars, or (ii) in the case of a dividend paying carrier, at least a million dollars of net assets.

(b) The contractor will, in those cases where it selects its own insurance carrier as well as in those cases in which the insurance is purchased on a competitive bid basis, submit the following information through the chief of the supply service to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces:

(1) The name of the insurance carrier;

(2) The jurisdiction in which the insurance carrier is organized;

(3) Whether the insurance carrier is qualified to write the required insurance in the jurisdiction in which the project is located;

(4) A statement executed by an authorized official of the insurance carrier that the insurance carrier meets the standards of acceptability set forth in § 81.470 (a);

(5) The engineering, claims, and medical facilities, if required, which will be provided at the project by the insurer;

(6) The latest financial statement of the insurance carrier;

(7) A separate letter which may be forwarded directly by the insurance carrier to the chief of the supply service concerned, setting forth the actual amount of each risk retained by the primary carrier and its reinsurance arrangements, including the names of all reinsurers and the amount of risk accepted by each. Such letter will embody a statement that the reinsurance arrangements will not be modified or cancelled until thirty days advance notice shall have been given to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces. Where a reinsurer is a foreign company or a foreign controlled company, the letter outlining the reinsurance arrangements will include a statement that the primary carrier will not divulge the name, nature or location of the risk and that if such disclosure is required to obtain payment of a reinsured loss, prior approval will be obtained from the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, before any information is given to the foreign reinsurer or foreign controlled reinsurer.

Upon submission of the foregoing information, duly certified by an authorized official of the insurance carrier the chief of the supply service concerned may pass upon the acceptability of the insurance carrier or refer the matter to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, for determination.

§ 81.471 *Methods of purchase of casualty insurance.* Casualty insurance required or authorized under any paragraph of this Procurement Regulation No. 4 will be purchased in the manner specified in paragraphs (a) to (d) of this section.

(a) Where the premiums involved are estimated to amount to $300 or less the contractor will select the insurance carrier and procure the necessary insurance.

(b) Where the premiums involved are estimated to exceed $300, but not to exceed $5,000, the contractor will be required to purchase the insurance on a competitive bid basis. In order to secure a fair market price, at least four bids will be required, two of which will be from reliable fixed-premium carriers and two from reliable dividend paying carriers. If one bid is received from a fixed-premium paying association or syndicate and another from a dividend paying association or syndicate, such bids will be sufficient to comply with these requirements. The terms "associations" or "syndicates" refer to groups of insurance carriers which have joined together for

participation in the risk involved on a predetermined basis which contemplates that they will be jointly and severally liable under the insurance policy. The chief of the supply service concerned will assure himself that all insurance purchased on a competitive bid basis is placed with the carrier or carriers offering the lowest net cost commensurate with sound protection and service before approving the policy or policies.

(c) (1) Except as provided in subparagraph (2), where the premiums involved are estimated to exceed $5,000 the contractor will select its own insurance carrier and require the issuance of policies under the War Department insurance rating plan described in §§ 81.473 through 81.483 below. An exception will be made to this requirement when the statutes of the jurisdiction involved expressly prohibit the use of this plan and permission cannot be obtained without modification of the statutes of the jurisdiction concerned.

(2) Where the operations of the contractor under a cost-plus-a-fixed-fee contract are commingled with its other operation, or where operations are being performed by the contractor under more than one cost-plus-a-fixed-fee contract with one or several of the supply services, the use of the War Department insurance rating plan may not be appropriate. In such cases the chief of any supply service concerned will forward to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, his recommendations, and that Branch, after coordinating with any other supply services concerned, will advise as to the proper insurance requirements.

(d) Insurance coverages which can not be written under the War Department insurance rating plan will be purchased on the competitive bid basis or as set forth in § 81.436(d).

War Department Insurance Rating Plan

§ 81.473 *Plan in general.* The War Department insurance rating plan is a comprehensive retrospective rating formula for the determination of premium specially adapted to fit the needs of the War Department. The plan was approved for use by the War Department on May 3, 1941, and is available for use in connection with the required casualty insurance coverage as outlined in § 81.436 (a) to (c). It may be extended to include the coverages outlined in § 81.437 (b) to (d). The plan will be used where the cost of insurance provided by the contractor is reimbursable under the contract. The clauses which are required to be attached to policies written in connection with the plan are enumerated in § 81.475.

§ 81.474 *Duration of coverage.* The insurance will be continuous and concurrent until completion of the project or operation except that if the project or operation is of indefinite duration, the insurance to be written under the plan shall be for a period of twenty-four months. In such event, if the project or operation continues for a longer period than twenty-four months, the policies of insurance will be renewed at the expiration of the first twenty-four months and the War Department insurance rating plan applied at that time as though it were being applied to a new project or operation.

§ 81.475 *Endorsements to be attached to policy.* The insurance carrier selected will be required to attach the following endorsement forms to the policies issued by it:

(1) War Department Insurance Rating Plan Endorsement (see § 81.497 (d)).

(2) General endorsement for general liability policy (see § 81.497 (e)).

(3) General endorsement for automobile liability policy (see § 81.497 (f)).

(4) General endorsement for workmen's compensation and employer's liability policy (see § 81.497 (g)).

§ 81.476 *Rules and rates under War Department insurance rating plan.* A joint committee representing the Association of Casualty and Surety Executives and the American Mutual Alliance established rules and rates set forth in § 81.477 to § 81.482 (a) for use in connection with policies written under the War Department insurance rating plan. These rules and rates were approved by the War Department on May 13, 1941.

§ 81.477 *Rules and rates with respect to workmen's compensation.* The rules and rates adopted as set forth in § 81.476 prescribe that the manual rules and rates set forth in the following subparagraphs shall be used, in connection with the War Department insurance rating plan, as the basis for determining the standard premium for workmen's compensation insurance with respect to projects located in the jurisdictions therein referred to:

(1) District of Columbia, Territories of Alaska and Hawaii and all states in which private insurance carriers may write insurance under the War Department insurance rating plan, except the states enumerated in subparagraphs (2) to (14), manual rules and rates published by the National Council on Compensation Insurance.

(2) Arizona, manual rules and rates promulgated by the Industrial Commission of Arizona.

(3) California, manual rules and rates promulgated by the California Inspection Rating Bureau.

(4) Delaware, manual rules and rates promulgated by the Delaware Compensation Rating and Inspection Bureau.

(5) Louisiana, manual rules and rates promulgated by the Louisiana Casualty and Surety Rating Commission.

(6) Massachusetts, manual rules and rates promulgated by the Massachusetts Rating and Inspection Bureau.

(7) Minnesota, manual rules and rates promulgated by the Minnesota Compensation Rating Bureau.

(8) New Jersey, manual rules and rates promulgated by the Compensation Rating and Inspection Bureau of New Jersey.

(9) New York, manual rules and rates promulgated by the Compensation Insurance Rating Board.

(10) North Carolina, manual rules and rates promulgated by the Compensation Rating and Inspection Bureau of North Carolina.

(11) Pennsylvania, manual rules and rates promulgated by the Pennsylvania Compensation Rating and Inspection Bureau.

(12) Texas, manual rules and rates promulgated by the Board of Insurance Commissioners of Texas.

(13) Virginia, manual rules and rates promulgated by the Workmen's Compensation Rating Bureau of Virginia.

(14) Wisconsin, manual rules and rates promulgated by the Wisconsin Compensation Rating and Inspection Bureau.

§ 81.478 *Employer's liability insurance (Mississippi).* It is prescribed that the manual rules and rates of the National Bureau of Casualty and Surety Underwriters shall be used as a basis for determining the standard premium for employers' liability insurance.

§ 81.479 *Employers' liability and voluntary compensation insurance (Oregon and Washington).* It is prescribed that the manual rules and rates of the National Bureau of Casualty and Surety Underwriters shall be used as the basis for determining the standard premium for employers' liability and voluntary compensation insurance.

§ 81.480 *Manual rules and rates.* In adopting the manual rules and rates of the existing rating organizations the Joint Committee specifically provided that experience rating should not be employed. Instead, in recognition of the differences in hazard, it adopted the following rule:

> For the purpose of determining the amount of the "fixed charge" under the War Department insurance rating plan, the standard premium for workmen's compensation and employers' liability insurance shall be discounted 10% before applying the appropriate percentage as prescribed in Table I of the Plan.

No discount which may be provided for in the manual rules and rates published by the National Council on Compensation Insurance or in any of the manual rules and rates referred to in §§ 81.477 to 81.480 to reflect any reduction in expense shall be applicable in determining the standard premium.

§ 81.481 *Automobile bodily injury and property damage liability insurance.* (a) For insurance on projects located in the District of Columbia, the Territories of Alaska and Hawaii and all states except Louisiana, Massachusetts, North Carolina and Texas, it is prescribed that the manual rules and rates of the National Bureau of Casualty and Surety Underwriters shall be used as a basis for determining the standard premium for automobile bodily injury and property damage liability insurance subject to the following modifications:

(1) All commercial automobiles shall be rated as Medium Class 5 regardless of the class and load capacity to which such commercial car would ordinarily be assigned.

(2) All automobiles classified as private passenger automobiles under the

manual rules and rates shall be classified as "Class C".

(3) In lieu of the rates appearing in the manual rules and rates for non-ownership bodily injury and property damage liability, standard limits rates applicable to this coverage shall be $.075 per $1,000 of payroll for bodily injury liability and $.05 per $1,000 of payroll for property damage liability. these rates to apply to the total payroll on the project.

(4) All automobiles owned by the Federal government and furnished for the contractors' use on a project, and all automobiles hired or purchased under rental purchase contracts shall be classified and rated in the same manner as automobiles owned by the contractor. Hired automobiles other than those hired under a rental purchase contract shall be rated in accordance with the rules and rates prescribed in the manual.

(5) Neither the experience rating plan nor the automobile fleet plan discount nor any other individual risk rating plan shall be used but in lieu thereof, and in recognition of the reduced hazards on these risks the manual rates including the rates set forth above shall be subject to a uniform discount of 50%.

(b) For insurance on projects located in Louisiana, Massachusetts, North Carolina and Texas, it is prescribed that the rules and rates of the organizations set forth below shall be used as a basis for determining the standard premium for automobile bodily injury and property damage liability insurance subject to the modification set forth in subparagraphs (1) to (5) above:

(1) Louisiana, The Louisiana Casualty & Surety Rating Commission.

(2) Massachusetts, Massachusetts Automobile Rating and Accident Prevention Bureau.

(3) North Carolina, North Carolina Automobile Rate and Administrative Office.

(4) Texas, The Board of Insurance Commissioners.

(c) For insurance on projects located in the states of Illinois and New Hampshire, New York, Oklahoma, Virginia and Washington, the manual rules and rates of the National Bureau of Casualty and Surety Underwriters referred to in paragraph (a) above, shall be used in the form in which they are filed with and approved by the state supervising authority having jurisdiction.

(d) In the event that coverage is required for any automobiles for which passengers are carried for a consideration, such automobiles are to be rated in accordance with the manual rules and rates applicable to public automobiles, subject to the 50 percent discount applicable to other classes of automobiles.

§ 81.482 *Comprehensive bodily injury liability insurance.* For insurance on projects located in the District of Columbia, the Territories of Alaska and Hawaii and all states except Louisiana and New York it is prescribed that the manual rules and rates of the National Bureau of Casualty and Surety Underwriters shall be used as a basis for determining the standard premium for comprehensive bodily injury liability insurance. For insurance on projects located in the state of New York the basis for determining the standard premium shall be the manual rules and rates of the National Bureau of Casualty and Surety Underwriters as approved by the New York State Insurance Department; and for insurance on projects located in Louisiana, the basis for determining the standard premium shall be the manual rules and rates of the Louisiana Casualty and Surety Rating Commission. Neither the experience rating plan nor any other individual risk rating plan shall be used, but instead in consideration of the reduced hazards on these risks all manual rates shall be subject to a uniform discount of 50 percent.

(a) Those classifications in the manual for which no rates appear will be submitted by the insurance carrier to the appropriate rating authority if any, for the establishment will be submitted to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces. Any liability rate so established will be subject to the 50% discount applicable to other liability insurance classifications.

§ 81.483 *Insurance advisor.* (1) In connection with the War Department insurance rating plan, each contractor performing a contract in one of the several States of the United States or the District of Columbia, will select a competent and responsible insurance advisor. This advisor may be a licensed insurance agent or broker or other person of comparable competence and trustworthiness. He shall not, while so employed be employed or paid any remuneration whatsoever by any insurance carrier for services rendered or benefit conferred directly or indirectly in connection with the insurance on the project to which the Insurance Services Agreement relates (see § 81.497 (m)). The advisor selected will be requested to submit a detailed statement of the knowledge and experience which qualifies him to act as insurance advisor.

(2) On projects located in states having a resident agents law which requires an advisor to be a licensed agent or broker such law will be complied with.

(a) Paragraph 1 of the Insurance Service Agreement, when used in connection with projects located in Massachusetts must be amended by inserting the words "being a duly licensed advisor, agent, or broker as defined in sections 163, 166, and 177b of the General Laws, Chapter 175," between the words "hereinafter called the Advisor" and the words "agreement(s), in consideration of a fee".

(b) If the contractor desires that his regular insurance agent or broker act as advisor but the project is so far removed that the agent or broker (not qualified as set forth above) is unable to give complete service, the agent or broker may arrange with another person or firm sufficiently near the project to render a portion of the advisor's services. The individual or firm will qualify as an advisor as set forth above and both parties will execute jointly the Insurance Service Agreement.

(c) No insurance advisor will be appointed in connection with projects located outside the several states of the United States and the District of Columbia.

Special Instructions for the Preparation of Policies

§ 81.485 *Workmen's compensation policies.* Policies to evidence workmen's compensation insurance taken out in accordance with this Procurement Regulation No. 4 (§§ 81.401 to 81.497), will be written to provide the coverage required by this Procurement Regulation No. 4 and in accordance with the following regulations:

(a) The War Department insurance rating plan is not available for use in connection with workmen's compensation insurance in the states of Nevada, North Dakota, Ohio and Washington, but the plan will be used in those states for comprehensive general liability and automobile liability and property damage if the premiums involved are estimated to exceed $5,000.

(b) In the state of Oregon the contractor will formally reject the workmen's compensation act and will then purchase insurance as prescribed in §§ 81.470 to 81.471 (d). The policy will provide on a voluntary basis the benefits of the workmen's compensation act and employer's liability insurance.

(c) In the state of West Virginia the contractor will qualify with the appropriate state authority as a self-insurer and will then purchase insurance as prescribed in §§ 81.470 to 81.471 (d). The policy will provide the benefits of the workmen's compensation act and employers' liability insurance.

(d) In the following states occupational diseases coverage in limits of $50/100,000 will be obtained by having this coverage endorsed on the compensation policy:

Alabama	New Jersey
Arizona	New Mexico
Colorado	Oklahoma
Delaware	Oregon
Florida	Pennsylvania
Georgia	Rhode Island
Iowa	South Carolina
Kansas	South Dakota
Kentucky	Tennessee
Louisiana	Utah
Maine	Vermont
Minnesota	Virginia
Montana	West Virginia
Nebraska	Wyoming
New Hampshire	

(e) Occupational disease coverage will be obtained in the states enumerated below, as follows:

(1) Illinois, by having the employer elect in writing to accept the terms of the Occupational Diseases Act;

(2) Indiana, by having the employer elect in writing to accept the terms of the Occupational Diseases Act;

(3) Missouri, by having the employer elect in writing to bring himself within the Workmen's Compensation Act with respect to occupational diseases; and the workmen's compensation policy will be endorsed to indicate the carrier's acceptance of the employer's election.

(f) In the state of Missouri the contractor will have the Missouri endorsement (see § 81.497 (h)) attached to the compensation policy. This endorsement

will be cleared in each individual case by the chief of the supply service concerned or his authorized representative with the Superintendent of Insurance of the State of Missouri.

(g) Special endorsements will be attached to policies in the following states:

Delaware (See § 81.497 (l)).
Massachusetts (See § 81.497 (j)).
Pennsylvania (See § 81.497 (k)).
Texas (See § 81.497 (l)).

§ 81.486 *Average rates for construction projects insured under the War Department insurance rating plan.* Because of the multiplicity of classifications which must be used in connection with construction projects, average rates will, in all instances where practicable, be used and the following procedure will apply:

(a) The rate will be established by the board or bureau having jurisdiction.

(b) Calculation of such rate will be on the basis of the manual rules, classifications and rates administered by the board or bureau having jurisdiction.

(c) Data for establishing such rate will be secured by the carrying company from the supply service concerned and will be subject to acceptance and verification by the board or bureau having jurisdiction.

(d) Pending the submission of complete data upon which to establish such average rate the board or bureau will establish a tentative average rate based upon such information concerning the operations as may be made available.

(e) The average rate computed in accordance with (b) and (c) above will be established and promulgated to the carrier as promptly as possible, and such rate will apply only if the carrier and the War Department agree to its use.

(f) Such rate will be effective as of the inception date of the policy and may not be changed except as follows:

(1) It will be subject to revision on the anniversary date of the policy.

(2) Whenever features or operations contemplated under the project are materially changed.

(3) Whenever work which was included in the establishment of the average rate is sublet to lump-sum subcontractors whose operations are not under the War Department insurance rating plan.

(4) The amended rate as established under (2) and (3) above will be effective as of the inception date of the policy.

(5) In the event that the state rates are changed as a result of a change in the law, the average rate will be modified as of the effective date of the revised state rates. Upon promulgation by the board or bureau having jurisdiction, all average rates will be submitted to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, for approval. Complete supporting data and the recommendation of the chief of the supply service concerned will also be submitted.

§ 81.487 *Fire insurance*—(a) *Release form.* A non-interest release form will be used in all applicable cases where the contracting officer is required to execute an instrument in connection with fire insurance purchased pursuant to a provision contained in a War Department contract. For form see § 81.497 (a).

(b) *Fire insurance.* Where a contract requires that the contractor shall provide and maintain fire insurance in a sum at least equal to the value of the property belonging to the United States which is in his possession, the form of endorsement set forth in § 81.497 (b) will be used. This endorsement is designed for the purpose of clearly defining the interest of the government and of providing the manner in which losses shall be settled. Its use will not eliminate the necessity of reviewing each insurance policy submitted in order to determine that the amount of insurance conforms to requirements and that the exclusions which appear in the policy do not deprive the United States of any of its rights.

§ 81.488 *Rules and regulations of the State of Massachusetts pertaining to use of War Department insurance rating plan in that state.* The Emergency Construction and Expansion Comprehensive Insurance Rating Plan on Cost-Plus-a-Fixed-Fee Contracts, dated May 3, 1941, commonly known as the War Department insurance rating plan, as amended by Endorsement Forms 2a, 10A, and 30A, of May 26, 1942, is hereby permitted for use in the Commonwealth of Massachusetts under the authority of Executive Order No. 18, subject to the following rules, regulations, and modifications:

(a) This plan shall be available only when requested by the United States Government, through the War Department, the Navy Department, the Maritime Commission, or the Defense Plant Corporation, or in cooperation therewith in connection with the operations of any assured undertaking a contract of which written notice has been given to the Commissioner of Insurance of the Commonwealth of Massachusetts by the procurement officer of the United States agency in charge of the project or his representative to be on a cost-plus-a-fixed-fee basis and on other projects in connection with the prosecution of the war wherein the cost of the insurance is a direct item of expense to the United States Government by reason of a contract reimbursement agreement.

(b) Requests for permission to use the plan shall be made by the insurance carrier to the Commissioner of Insurance of the Commonwealth of Massachusetts and shall be accompanied by the written request for the use of the plan by the procurement officer of the United States agency in charge of the project or his authorized representative and also a statement from the assured givng the name and address of the licensed insurance adviser, agent, or broker.

(c) The plan shall not be used where the estimated standard premium for the insurance is less than $5,000. In cases where the standard premium on war projects is less than $5,000, each carrier shall observe the rates and rules for workmen's compensation insurance which have been approved by the Massachusetts Commissioner of Insurance. Rules, rates, and classification of risks and premium charges, promulgated by the Commissioner of Insurance for Massachusetts Compulsory Motor Vehicle Insurance Policies and Bonds and Guest Occupant charges, shall be used in connection with risks involving standard premium of less than $5,000.

(d) The advisor provided for in the plan shall be a person who meets the requirements of Gen. Laws, Chapter 175, section 163, 166 or 177B, and who holds a license under one or more of said sections. No insurance carrier shall recognize an advisor unless such advisor is licensed as described above. Enclosed amendment must be attached to service agreement (see § 81.497 (j) (5)).

(e) Policies in force on May 26, 1942, may be cancelled and rewritten under this plan with the approval of the Massachusetts Commissioner of Insurance: *Provided*, That no policy written under this plan may have an effective date prior to May 26, 1942.

(f) Permission to use the plan in Massachusetts may be discontinued by the Massachusetts Commissioner of Insurance by giving ten days' written notice to the War Department or other governmental agency authorized to use this plan and to the Massachusetts Rating and Inspection Bureau as a representative of the insurance companies.

(g) Endorsement Forms 2A, 10A, and 30A, copies of which are attached hereto, shall be attached to each policy contract issued under this plan (see §§ 81.497 (e), (f) and (g)).

(h) Losses incurred under the plan are to be determined by the insurance carrier and approved by the Massachusetts Commissioner of Insurance and the Under Secretary of War or corresponding head of other governmental agency authorized to use this plan.

(i) Reserves on outstanding cases are to be determined by the insurance carrier and approved by the Massachusetts Insurance Department and the Under Secretary of War, or corresponding head of other governmental agency authorized to use this plan.

(j) The insurance carrier shall furnish to the Massachusetts Commissioner of Insurance and to the War Department a quarterly itemized statement of incurred losses.

(k) Payroll audits shall be made as soon as possible following the termination of the audit period as shown in the policy and a copy furnished to the Massachusetts Commissioner of Insurance. There shall be attached to each policy to which the War Department insurance rating plan applies, War Project Endorsement Form "D" shown below.

§ 81.489 *Rules and regulations pertaining to use of War Department insurance rating plan in State of Texas.* (a) When policies written under the plan are submitted to the Casualty Insurance Commissioner for his approval they will be accompanied by a copy of the insurance service agreement signed by the insurance advisor and the contractor or architect-engineer. No policy will be approved unless accompanied by such agreement and such copy will be retained permanently by the Insurance Department.

(b) Workmen's compensation insurance policies written under this plan may eliminate the wording "and elsewhere in Texas." Where such wording is eliminated the policy will not be approved until the Casualty Insurance Commissioner is submitted satisfactory evidence that the contractor and each subcontractor or the architect-engineer named in such policy will be insured by a separate workmen's compensation insurance policy written according to normal manual requirements for all the assured's contracting activities throughout Texas during the entire period of coverage under the emergency insurance rating plan. Concurrent policies carried by reason of this requirement may be combined for determination of premiums.

(c) Any workmen's compensation insurance policy concurrent with one extending coverage under the provisions of the War Department emergency rating plan will provide by endorsement for a ten-day written notice by the insurance carrier or by the assured (whichever cancels the policy) to the Casualty Insurance Commissioner before such policy may be terminated by cancelation.

Settlement of Claims

§ 81.490 *Settlement under the War Department insurance rating plan.* (a) The rating plan provides that within sixty days after the expiration of the policy (or within sixty days of the termination of the project) the carrier shall compute the aggregate earned standard premium and a preliminary settlement of the premium shall then be made (for form of preliminary settlement, see §§ 81.497 (o) through 81.497 (u)). It is desired that this preliminary settlement be made prior to the termination of the contract.

(b) Insurance carriers will be required to submit to the contractor seven properly executed copies of the forms of preliminary settlement, together with any refund which may be called for by the settlement form. The contractor will be instructed to retain one copy and to submit the remaining six copies, together with the refund, to the contracting officer. The contracting officer will make the following distribution:

(1) One copy, together with the refund, to the disbursing officer.

(2) One copy to the General Accounting Office.

(3) Two copies to the chief of the supply service concerned.

(4) Two copies to be retained by the contracting officer. The chief of the supply service will forward one copy to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces.

(c) Generally the contract in question will have been terminated by the time final settlement (see § 81.497 (o) to 81.497 (u)) is in order (eight months after completion of the project). Therefore in terminating such contracts, the chief of the supply service concerned will issue appropriate instructions to the effect that any remaining credits due in connection with the insurance or any outstanding obligations of the contractor with respect to the insurance will be assumed by the United States Government.

(d) When submitting final settlement forms, the insurance carrier will be notified to submit six properly completed copies of such forms to the chief of the supply service concerned. The chief of the supply service will forward two copies to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces. The latter will examine the final settlement statement and return the original to the chief of the supply service concerned with an indication of approval or disapproval of the statement. If the statement is disapproved, the chief of the supply service will take appropriate action to have the objection removed, and will resubmit the matter for approval. In those cases where approval is indicated, the chief of the supply service will take appropriate steps to settle the account on the basis of the statement and will make proper distribution of the remaining five (5) copies of the settlement forms. In all cases where final settlement is accepted and approved it will be necessary for the insurance carrier involved to execute properly the Comprehensive Insurance Rating Plan Release. (See § 81.497 (v).)

(e) All appropriate action will be taken by the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, with respect to the valuation and adjustment of losses and claims.

§ 81.491 *Claims, losses and claims service under the War Department insurance rating plan*—(a) *Claims service by insurance carriers.* The carrier is required to provide sufficient claims facilities to afford prompt and adequate claims service to the contractor. Any complaints concerning the claims service which is rendered by a carrier in connection with a particular project will be referred for necessary action to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces.

(b) *Claims settlements by insurance carriers.* (1) It is the duty of the insurance carrier to make all decisions with respect to the investigation, settlement and litigation of claims against contractors covered by its policies of insurance "to the extent of its coverage, said policies having been issued under the War Department insurance rating plan."

(2) Medical benefits in excess of statutory limits. Medical benefits in excess of the statutory limits on compensation claims may be provided by the insurance carrier if in its best judgment, such extension of benefits will probably reduce disability and the ultimate cost of indemnity payments provided the carrier has received the prior written approval of the contracting officer or his representative; or receives the approval of the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces.

(c) *Insurance medical facilities, first aid and hospital (contract medical).* The subject is now under special consideration and regulations relating thereto will be promulgated at an early date.

(d) *Claims not covered by insurance policy; duty of insurance carrier.* The insurance carrier will notify the contractor promptly of any claim reported to it which, in its opinion, is not covered by the terms of the insurance policy. All such matters will be referred immediately for determination to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces.

(e) *Relationship of the claims representatives of the carriers to supply services.* The insurance carrier through its investigation of accidents and the handling of settlements frequently obtains and compiles data which will be helpful to the representatives of the supply service on the project. The relationship between these parties should be one of mutual assistance and cooperation. The claims representative of the insurance carrier is required to cooperate with the supply service representative when requested to do so and to supply him with such data as will be of assistance to the latter in carrying out his duties. The supply service concerned will not request the claims representative of the insurance carrier to fill out forms, copy reports, or prepare other clerical data not necessary in the performance of his duties in connection with the handling of claims.

(f) *Loss reports*—(1) *Quarterly loss reports.* The insurance carrier is required to submit a quarterly loss report (for form see §§ 81.497 (w) and 81.497 (x) every three months during the term of the policy. The insurance carrier is required to furnish the contractor with five copies of the quarterly loss report. The contractor should retain two copies and send three copies to the contracting officer or his representative. The contracting officer will retain one copy unless the chief of the supply service concerned requires him to send it to a higher echelon within the supply service, and will forward two copies to the chief of the supply service concerned. The chief of the supply service will retain one copy and forward the other to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces. In order that maximum use may be made of these reports, they will be forwarded promptly through channels as set forth above.

(2) *Preliminary settlement.* The insurance carrier will use the approved form of preliminary settlement (see §§ 81.497 (o) to 81.497 (u)). Distribution of these forms when completed will be made as set forth in § 81.490 (a). The chief of the supply service concerned will obtain the approval or disapproval of these statements by the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, before any final action is taken thereon. Refunds of premium may be accepted without reference to the approval or disapproval by the Insurance Branch. The chief of the supply service concerned will be notified of the action taken by the Insurance Branch.

(3) *Final settlement.* The same form shall be used for final settlement as is used for preliminary settlement statements (see §§ 81.497 (o) to 81.497 (u)). If the final settlement statement is approved by the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, after its examination of the claims files, the chief of the supply service concerned will be so notified. If set-

tlement is deferred, the chief of the supply service concerned will be notified. In the event of a deferment of settlement, the carrier will submit an additional final settlement statement at the end of the deferred period as provided by the War Department Insurance Rating Plan Endorsement. Such additional final settlement statement will be acted upon by the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces in the same manner as an original final settlement statement.

(4) *Additional reports.* No other reports by insurance carriers concerning insured losses will be required unless requested by the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces.

(g) *Arbitration of losses.* If final settlement with a carrier is not feasible, by reason of dispute over losses claimed by such carrier, the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces will arrange for arbitration in accordance with the provisions of the War Department insurance rating plan, and will notify the chief of the supply service concerned of the pendency of such arbitration. Upon final settlement of such losses, the chief of the supply service concerned will be notified.

(h) *Claims under Missouri Voluntary Workmen's Compensation Endorsement.* An agreement and release will be taken at the time settlement is made by the insurance carrier with an employee and a receipt and release will be taken at the time final payment is made. These are necessary and are required by the Insurance Commissioner of Missouri (for forms see §§ 81.497 (y) and 81.497 (z)). The insurance carrier will be responsible for the execution of the forms.

Miscellaneous

§ 81.492 *War risk indemnity contracts.* With the passage of Public Law 784, 77th Congress, the execution of war risk indemnity contracts has become unnecessary. The authority heretofore granted in respect to the execution of such agreements is withdrawn.

§ 81.493 *Reports.* Copies of all policies, bonds, certificates of insurance, reports of insurance companies, and insurance advisors boiler inspection contracts and all other data pertaining thereto will be forwarded promptly to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces.

Bonds and Insurance Forms

§ 81.496 *Bond forms*—(a) *Bid bond.* Standard Form No. 24 (Standard Government Form of Bid Bond (construction or supply)) is the approved bid bond form. In the preparation of the form, contracting officers are authorized, when it is deemed by them to be in the best interests of the Government, to insert in the blank space on page one, following the words "in the penal sum of" and before the word "dollars," the following clause:

An amount equal to ____ per cent of the accompanying bid of said principal, but in no event shall said penalty exceed the sum of _____.

There should be inserted in the first blank space of the above clause the percentage deemed appropriate by the contracting officer, having regard to existing instructions of the chief of the supply service concerned, and in the second blank space the amount of the maximum penalty in dollars. Standard Form No. 24 reads as follows:

STANDARD GOVERNMENT FORM OF BID BOND (No. 24)

(Construction or Supply)

Know all men by these presents, That we, _____ as Principal, and _____ as Surety, are held and firmly bound unto the United States of America, hereinafter called the Government, in the penal sum of _____ dollars lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

The condition of this obligation is such, that whereas the principal has submitted the accompanying bid, dated _____, 19____, for _____.

Now, therefore, if the principal shall not withdraw said bid within the period specified therein after the opening of the same, or, if no period be specified, within sixty (60) days after said opening, and shall within the period specified therefor, or, if no period be specified, within ten (10) days after the prescribed forms are presented to him for signature, enter into a written contract with the Government, in accordance with the bid as accepted, and give bond with good and sufficient surety or sureties, as may be required, for the faithful performance and proper fulfillment of such contract, or in the event of the withdrawal of said bid within the period specified, or the failure to enter into such contract and give such bond within the time specified, if the principal shall pay the Government the difference between the amount specified in said bid and the amount for which the Government may procure the required work and/or supplies, if the latter amount be in excess of the former, then the above obligation shall be void and of no effect, otherwise to remain in full force and virtue.

In witness whereof, the above-bounden parties have executed this instrument under their several seals this _____ day of _____, 19____, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(b) *Annual bid bond.* United States Standard Form No. 34 (Revised) is the approved form of Annual Bid Bond. It reads as follows:

ANNUAL BID BOND (No. 34)

(Supplies)

Know all men by these presents, that we _____, as Principal, and _____ as Surety, are held and firmly bound unto the United States of America, hereinafter called the Government, in such penal sum or sums, lawful money of the United States, as shall be sufficient to indemnify the Government in case of the default of the said principal as hereinafter set forth, for the payment of which sum or sums well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

The condition of this obligation is such, that whereas the principal contemplates submitting bids from time to time during the fiscal year ending June 30, 19__, to the_____ _____for furnishing materials and supplies to the Government, and desires that all such bids submitted for opening during said fiscal year be covered by a single bond instead of by a separate Bid Bond for each bid:

Now, therefore, if the principal shall not withdraw any such bid within the period specified therein after the opening of the same, or, if no period be specified, within sixty (60) days after said opening, and shall within the period specified therefor, or, if no period be specified, within ten (10) days after the prescribed forms are presented to him for signature, enter into a written contract with the Government, in accordance with the bid as accepted, and give bond with good and sufficient surety or sureties, as may be required, for the faithful performance and proper fulfillment of such contract, or in the event of the withdrawal of any bid within the period specified, or the failure to enter into such contract and give such bond within the time specified, if the principal shall pay the Government the difference between the amount specified in said bid and the amount for which the Government may procure the required materials and supplies, if the latter amount be in excess of the former, then the above obligation shall be void and of no effect, otherwise to remain in full force and virtue.

In witness whereof, the above-bounden parties have executed this instrument under their several seals this _____ day of _____ _____, 19__, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(c) *Performance bond.* (1) Standard Form No. 25, Revised is the approved form of performance bond for use when the bond is to be executed by individual sureties, or by one corporate surety. The form is set forth in subparagraph (4) below.

(2) Standard Form No. 25–B is the approved form of performance bond for use when the bond is to be executed by two or more corporate sureties. For cases involving more than six sureties, continuation sheets to sheets one and three of the form are provided. These bear the form designations, Standard Form No. 25–B1 and 25–B3. Standard Form No. 25–B is set forth in subparagraph (5) below.

(3) When the aforementioned standard forms of performance bonds are used, there may be inserted therein the following additional clause.

Provided, however, That the foregoing obligation of the surety shall not be applicable to the liability of the principal for the return of excessive profits under the provisions of the Sixth Supplemental National Defense Appropriation Act, 1942.

(4)

PERFORMANCE BOND (No. 25)

(Construction or Supply)

Know all men by these presents, that we, _____ as Principal, and _____ as Surety, are held and firmly bound unto the United States of America, hereinafter called the Government, in the penal sum of _____ dollars for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

The condition of this obligation is such, that whereas the principal entered into a certain contract, hereto attached, with the

Government, dated _____, 19__, for _____.

Now, therefore, if the principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term of said contract and any extensions thereof that may be granted by the Government, with or without notice to the surety, and during the life of any guaranty required under the contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the surety being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue.

In witness whereof, the above-bounden parties have executed this instrument under their several seals this _____ day of _____ 19__, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(5)

PERFORMANCE BOND (No. 25–B)

(Construction or Supply)

Corporate Co-Surety Form

Know all men by these presents, that we, _____ as Principal, and the corporations hereinafter designated as Surety A to Surety _____, inclusive, as Sureties, are held and firmly bound unto the United States of America, hereinafter called the Government, in the penal sum of _____ dollars, for the payment of which sum well and truly to be made we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents: *Provided,* That we the sureties bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite its name in the following schedule:

Surety	*Name and State of incorporation*	*Limit of liability*
A		
B		
C		
.		
.		
.		
.		
Q		

The condition of this obligation is such, that whereas the Principal entered into a certain contract, hereto attached, with the Government dated _____, 19__, for _____.

Now, therefore, if the Principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term of said contract and any extensions thereof that may be granted by the Government, with or without notice to the Sureties, and during the life of any guaranty required under the contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the Sureties being hereby waived, then, this obligation to be void, otherwise to remain in full force and virtue.

In witness whereof; the above-bounden parties have executed this instrument under their several seals this _____ day of _____, 19__, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(d) *Annual performance bond.* United States Standard Form No. 35 (Revised) is the approved form of annual performance bonds. It reads as follows:

ANNUAL PERFORMANCE BOND (No. 35)

(Supplies)

Know all men by these presents, that we _____ as Principal and _____ as Surety are held and firmly bound unto the United States of America, hereinafter called the Government, in the penal sum of _____ dollars for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

The condition of this obligation is such, that whereas the principal contemplates entering into contracts from time to time during the fiscal year ending June 30, 19__, with the Government represented by _____ for furnishing materials and supplies to the Government and desires that all such contracts be covered by one bond instead of by a separate performance bond for each contract:

Now, therefore, if the principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all such contracts so entered into during the original term thereof and any extensions that may be granted by the Government, with or without notice to the surety, and during the life of any guaranty required under the contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of such contract and may hereafter be made, notice of which modifications to the surety being hereby waived, then this obligation to be void; otherwise to remain in full force and virtue.

In witness whereof, the above-bounden parties have _____ executed this instrument under their several seals this _____ day of _____, 19__, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(e) *Payment bond.* (1) Standard Form No. 25–A is the approved form of payment bond for use when the bond is to be executed by individual sureties, or by one corporate surety. The form is set forth in subparagraph (3) below.

(2) Standard Form No. 25–C is the approved form of payment bond for use when the bond is to be executed by two or more corporate sureties. For cases involving more than six sureties, continuation sheets to sheets one and three of the form are provided. These bear the form designations, Standard Form No. 25–C1 and No. 25–C3. Standard Form No. 25–C is set forth in subparagraph (4) below.

(3)

PAYMENT BOND (No. 25–A)

Know all men by these presents, that we, _____ as Principal, and _____ as Surety are held and firmly bound unto the United States of America, hereinafter called the Government, in the penal sum of _____ dollars for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

The condition of this obligation is such, that whereas the principal entered into a certain contract, hereto attached, with the Government, dated _____, 19__, for _____.

Now, therefore, if the principal shall promptly make payment to all persons supplying labor and material in the prosecution of the work provided for in said contract, and any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the surety being hereby waived, then this obligation to be void; otherwise to remain in full force and virtue.

In the witness whereof, the above-bounden parties have executed this instrument under their several seals this _____ day of _____ 19__, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(4)

PAYMENT BOND (No. 25–C)

Corporate Co-Surety Form

Know all men by these presents, that we _____ as Principal, and the corporations hereinafter designated as Surety A to Surety _____, inclusive, as Sureties, are held and firmly bound unto the United States of America, hereinafter called the Government, in the penal sum of _____ dollars, for the payment of which sum well and truly to be made we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents: *Provided,* That we the Sureties bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite its name in the following schedule:

Surety	*Name and state of incorporation*	*Limit of liability*
A		
B		
C		
.		
.		
.		
Q		

The condition of this obligation is such, that whereas the Principal entered into a certain contract, hereto attached, with the Government, dated _____, 19__, for _____.

Now, therefore, if the Principal shall promptly make payment to all persons supplying labor and material in the prosecution of the work provided for in said contract, and any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the Sureties being hereby waived, then this obligation to be void; otherwise to remain in full force and virtue.

In witness whereof, the above-bounden parties have executed this instrument under their several seals this _____ day of _____ 19__, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(f) *Advance payment bond.* (1) The approved forms of advance payment bond for use when the bond is to be executed by individual sureties or one corporate surety are set forth in subparagraphs (3) and (4) below. These forms

are Standard Form No. 25, Revised (Standard Government Form of Performance Bond (construction and supply)), amended by the insertion of the italicized clauses.

(2) The approved forms of advance payment bond for use when the bond is to be executed by two or more corporate sureties are set forth in subparagraphs (5) and (6) below. These forms are Standard Form No. 25–B (Standard Government Form of Performance Bond (Construction and supply)), amended by the insertion of the italicized clauses. For cases involving more than six sureties continuation sheets to sheets one and three of the form are provided bearing the designations "Standard Form No. 25–B1" and "Standard Form No. 25–B3".

(3)

ADVANCE PAYMENT BOND

(When the provisions for advance payments are contained in the basic contract.)

Know all men by these presents, that we, as Principal, and _____ as Surety, are held and firmly bound unto the United States of America, hereinafter called the Government, in the penal sum of _____ dollars for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

The condition of this obligation is such, that whereas the principal entered into a certain contract, hereto attached, with the Government, dated _____ 19__, for _____ *and whereas such contract authorizes advance payments to the contractor in the sums not to exceed $_____, or _____ per centum of the contract price, as it may be amended, whichever shall be the smaller.*

Now, therefore, if the principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract *relating to advance payments* during the original term of said contract and any extensions thereof that may be granted by the Government, with or without notice to the surety, and during the life of any guaranty required under the contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions and agreements of any and all duly authorized modifications of said contract *relating to advance payments* that may hereafter be made, notice of which modifications to the surety being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue.

In witness whereof, the above-bounden parties have executed this instrument under their several seals this _____ day of _____, 19__, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(4)

ADVANCE PAYMENT BOND

(When the provisions for advance payments are contained in a supplemental agreement.)

Know all men by these presents, that we _____ as Principal, and _____ as Surety, are held and firmly bound unto the United States of America, hereinafter called the Government, in the penal sum of _____ dollars for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

The condition of this obligation is such, that whereas the principal entered into a certain contract, hereto attached, with the Government, dated _____, 19__, for *and whereas the Government has entered into a contract supplemental to the aforesaid principal contract, such supplemental contract being dated _____, 19__, and authorizing advance payments to the contractor of sums not to exceed $_____ or _____ per centum of the contract price, as it may be amended, whichever shall be the smaller.*

Now, therefore, if the principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said *supplemental contract relating to advance payments* during the original term of said *supplemental contract relating to advance payments* and any extensions thereof that may be granted by the Government, with or without notice to the surety, and during the life of any guaranty required under the contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions and agreements of any and all duly authorized modifications of said *supplemental contract relating to advance payments* that may hereafter be made, notice of which modifications to the surety being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue.

In witness whereof, the above-bounden parties have executed this instrument under their several seals this _____ day of _____, 19__, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(5)

ADVANCE PAYMENT BOND

Corporate Co-Surety Form

(When the provisions for advance payments are contained in the basic contract.)

Know all men by these presents, That we, _____, as Principal, and the corporations hereinafter designated as Surety A to Surety _____, inclusive, as Sureties, are held and firmly bound unto the United States of America, hereinafter called the Government, in the penal sum of _____ dollars, for the payment of which sum well and truly to be made we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents: *Provided,* That we the Sureties bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite its name in the following schedule:

Surety	*Name and State of incorporation*	*Limit of liability*
A		
B		
C		
.		
.		
.		
.		
.		
Q		

The condition of this obligation is such, that whereas the Principal entered into a certain contract hereto attached, with the Government, dated _____, 19__, for _____ *and whereas such contract authorizes advance payments to the contractor in the sums not to exceed $_____, or _____ per centum of the contract price, as it may be amended, whichever shall be the smaller.*

Now, therefore, if the Principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract *relating to advance payments* during the original term of said contract and any extensions thereof that may be granted by the Government, with or without notice to the Sureties, and during the life of any guaranty required under the contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions and agreements of any and all duly authorized modifications of said contract *relating to advance payments* that may hereafter be made, notice of which modifications to the Sureties being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue.

In witness whereof, the above-bounden parties have executed this instrument under their several seals this _____ day of _____, 19__, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(6)

ADVANCE PAYMENT BOND

Corporate Co-Surety Form

(When the provisions for advance payments are contained in a supplemental agreement.)

Know all men by these presents, that we, _____ as Principal, and the corporations hereinafter designated as Surety A to Surety, inclusive, as Sureties, are held and firmly bound unto the United States of America, hereinafter called the Government, in the penal sum of _____ dollars, for the payment of which sum well and truly to be made we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents: *Provided,* That we the Sureties bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite its name in the following schedule:

Surety	*Name and State of incorporation*	*Limit of Liability*
A		
B		
C		
.		
.		
.		
.		
.		
Q		

The condition of this obligation is such, that whereas the Principal entered into a certain contract, hereto attached, with the Government, dated _____ 19__, for _____ *and whereas the Government has entered into a contract supplemental to the aforesaid principal contract, such supplemental contract being dated _____ and authorizing advance payments to the contractor of sums not to exceed $ _____ or _____ per centum of the contract price, as it may be amended, whichever shall be the smaller.*

Now, therefore, if the Principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said *supplemental contract relating to advance payments* during the original term of said *supplemental contract relating to advance payments* and any extensions thereof that may be granted by the Government, with or without notice to the Sureties, and during the life of any guaranty required under the contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions and agreements of any and all duly authorized modifications of said *supplemental contract*

relating to advance payments that may hereafter be made, notice of which modifications to the Sureties being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue.

In witness whereof, the above-bounden parties have executed this instrument under their several seals this _____ day of _____ 19____, the name and coporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(g) *Patent infringement bond.* The following is the approved form of patent infringement bond:

Know all men by these presents, that we, _____ as Principal, and _____, as Surety, are held and firmly bound unto the United States of America, hereinafter called the Government, in the penal sum of _____ dollars, lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

The condition of this obligation is such, that whereas the principal entered into a certain contract, hereto attached, with the Government, dated _____, 19__, for _____ and whereas the said principal has specifically obligated himself in said contract to hold and save the Government, its officers, agents, servants, and employees, harmless from liability of any nature or kind, including cost and expenses, for or on account of any patented or unpatented invention, article, or appliance manufactured or used in the performance of that contract, including their use by the Government of the articles therein contracted for.

Now, therefore, if the principal shall well and truly perform and fulfill the above undertaking and agreement, and shall promptly make payment of any judgment and costs obtained against the United States under the provisions of the Act of June 25, 1910 (36 Stat. 851) as amended by the Act of July 1, 1918 (40 Stat. 705) or expenses incident thereto, then this obligation to be void; otherwise to remain in full force and virtue.

In witness whereof, the above-bounden parties have executed this instrument under their several seals this _____ day of _____ 19__, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(h) *Consent of surety.* (1) The following form is authorized for use in all cases other than those specified in subparagraph (2) below.

Consent of Surety is hereby given to the foregoing Supplemental Agreement, and the Surety agrees that its bond or bonds shall apply to and cover the due performance of the contract as modified and extended thereby.

(2) The following form is authorized for use when advance payments are added by supplemental agreement after the original contract has been executed and the performance bond given.

The undersigned surety company (or companies), surety (or sureties) on the performance bond supporting Contract No. _____ dated _____ with _____ (principal) of _____ (city and state) _____ hereby consent to the alteration of the contract effected by the execution of the agreement supplemental thereto dated _____ providing for advance payments, upon the condition that it (or they) shall not be liable under such performance bond for any portion of the advance payments which is not used by the contractor for the purposes of the contract.

If, in the event of default under the contract, the surety company (or companies) is (are) permitted to perform, and in case the additional funds for full performance are not available, it is understood and agreed that the number of articles to be delivered or the services to be performed under said contract shall be reduced in the proportion that the amount of advance payment monies not used for the purposes of the contract bears to the total contract price.

In witness whereof, the respective sureties have executed this instrument under their several seals this _____ day of _____ 19__, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

(i) *Fidelity bond.* The primary commercial blanket form of fidelity bond as standardized by the Surety Association of America or its equivalent is the approved form of fidelity bond. There should be attached thereto the following:

(1) A rider providing for retroactive reinstatement for prior losses.

(2) A rider excluding any claim on the part of the surety company to be subrogated, on payment of loss or otherwise, to any claim against the United States.

(3) A rider providing for pro rata refund of premium in event of cancellation by the insured.

(4) A rider providing for notice to the Supply Service concerned in the event of any change in or cancellation of the bond.

(5) A rider providing for investigation of all Class A employees.

(6) A rider providing for investigation of all claims.

(7) (Optional.) A rider eliminating a premium charge for restoring the bond penalty after losses.

(j) *Forgery bond.* The depositor's form of forgery bond or policy as standardized by the Surety Association of America or its equivalent is the approved form of forgery bond. There should be attached thereto the following:

(1) A rider providing for retroactive reinstatement for prior losses.

(2) A rider excluding any claim on the part of the surety company to be subrogated, on payment of loss or otherwise, to any claim against the United States.

(3) A rider providing for pro rata refund of premium in event of cancellation by the insured.

(4) A rider providing for notice to the supply service concerned in the event of any change in or cancellation of the bond.

(5) A rider providing for the investigation of all claims.

(6) (Optional.) A rider eliminating premium charge for restoring the bond penalty after losses.

(k) *License or permit bond.* The form of license or permit bond prescribed by statute or ordinance of the public authority having jurisdiction is the approved form of bond.

(l) *Bond data sheet.* The following form of bond data sheet is authorized for use:

Date_____
Headquarters, Army Service Forces,
Fiscal Division,
Insurance Branch,
Washington, D. C.
Name of principal_____
(Vendor, Contractor, Subcontractor, or Architect-Engineer)
Contract No_____
Name of project_____
Location of project_____
Amount of contract_____
Description of contract_____
Penalty of bond_____
Type of bond_____
Name of surety_____
Bond number_____
Effective date of bond_____
Premium _____
Rate of premium per thousand_____
_____
(Supply Service)

§ 81.497 *Insurance forms*—(a) *Release form.*

_____
(Date)
To the_____
(Name of Contractor)
_____
(Location)
This is to certify that the United States of America has no interest under
(Type)
_____ Contract No.____
(Type)
_____ Contract No.____
_____ Contract No.____
with your Company in the property damage by _____ on _____, and
(Cause) (Date)
situate on the premises at_____
as described in policy No._____of the _____ Company; except as follows:—

The interest of the United States in the losses involved in the above mentioned contract(s) and covered by the above mentioned insurance policy amounts to $_____
(Write appropriate figure or word "None")
_____
(Title)

(b) *Fire insurance endorsement.*

FIRE INSURANCE ENDORSEMENT

Dated_____
To be attached to Policy No._____

1. This policy covers all property owned wholly or in part by the United States or in which the United States has any interest, legal or equitable, by way of lien, mortgage, pledge, or otherwise, while said property is on the premises of the assured as described in the policy to which this endorsement is attached. Loss if any under this policy shall be payable to the contractor and to the Treasurer of the United States as their respective interests may appear: *Provided, however,* That the United States is entitled to indemnity, in preference and priority, on all property insured hereunder and in which it has an interest.

2. This policy, with respect to the interests of the United States, shall not be altered, cancelled, or further endorsed, transferred or assigned, unless written notice to that effect shall be given, at least twenty days in advance, to the United States of America, through _____
_____
(Insert the name or names and addresses of Contracting officer of the Supply Service involved)

3. Since this policy is hereby endorsed primarily to afford protection to the United States, and since the United States is not in a position to determine whether the assured under this policy is under-insured, any co-insurance clause of this policy as far as the interest of the United States is concerned is hereby declared to be inoperative and of no effect.

4. Inasmuch as the United States is not in control of the insured property, this policy, with respect to the interest of the United States, shall not be impaired or affected by the failure of the assured to comply with any condition or warranty contained therein.

(Name of insurance company)

By ---

(c) *War risk insurance report.* A report on the following form should be executed in triplicate and forwarded to the Insurance Branch, Fiscal Division, Headquarters, Army Service Forces, Room 5D461 The Pentagon, Washington, D. C.

The following data is submitted pursuant to the terms of the master policy with coverage commencing ---

1. Name of vessel---
2. Owners---
3. Value of hull--- $ ---
4. Crew life--- $ ---
5. Crew effects--- $ ---
6. Wages and Bonuses (annual) --- $ ---
7. Protection and Indemnity--- $ ---
8. Quote Excerpt from contract, Rental Agreement or Charter parties, delineating responsibility of War Department.

"---
---"

(Supply Service or Command)

(d) *War Department Insurance Rating Plan Endorsement.*

WAR DEPARTMENT INSURANCE RATING PLAN ENDORSEMENT

Amending Police Numbered ---

1. It is agreed that the premiums for the policies numbered:---
---

issued by the Company affording insurance in connection with the War Department Cost-Plus-A-Fixed-Fee Contract No. ---, to

(Name of Contractor)

---

and all subcontractors performing operations on a Cost-Plus-A-Fixed-Fee basis in connection with a project at ---

shall be a fixed charge plus modified losses plus all actual allocated claim expense, all multiplied by the tax multiplier, subject to a maximum premium equal to the amount obtained by the application of the tax multiplier to 90% of the standard premium.

a. The premium computed in accordance with the provisions of the policies, other than this endorsement, shall be known as the "standard premium" and shall be computed in accordance with manual rules and rates which have been approved by the Under Secretary of War.

b. "Losses incurred" as used in this endorsement shall mean the sum of all losses (indemnity and medical) actually paid plus reserves for unpaid losses as determined by the Company and approved by the insured and the Under Secretary of War.

c. "Modified losses" as used in this endorsement shall mean the losses incurred converted by the application of the factor 1.12.

d. "Allocated claim expense" as used in this endorsement shall mean actual payments and reserves for legal expenses, excluding the cost of investigation and adjustment of claims by salaried employees and fee adjusters, but including attorney's fees, court costs, interest, expense for expert testimony, examination, X-ray, autopsy or medical expenses of any kind not incurred for the benefit of the injured or any other expenses incurred under the policy other than payment of indemnity or medical treatment: *Provided,* That only those items of expense which can be directly allocated to a specific claim involving litigation or possible litigation when necessary to determine the Company's liability shall be included.

e. "Fixed charge" as used in this endorsement shall mean the amount provided for fixed expenses and for losses in excess of the maximum. The fixed charge shall be determined by applying the appropriate percentage as set forth in Table I, to the sum of 90% of the standard premium for Workmen's Compensation and Employers' Liability and 100% of the standard premium for Automobile Bodily Injury Liability and Property Damage Liability coverages and all other bodily injury liability and property damage liability coverages combined.

f.

TABLE I.—TABLE OF FIXED CHARGES

(1) Standard Premium to used in determining applicable fixed charge percentage (90% of Standard Premium for Workmen's Compensation and Employers' Liability and 100% of Standard Premium for all bodily injury liability and property damage liability coverages):	(2) *Fixed charge (Expressed as a percentage of Standard Premium stated in column 1)*
$5,000 or less	37
10,000	29
25,000	24
50,000	18.4
100,000	12.5
150,000	11.5
200,000	10.5
250,000	9.7
300,000	9
350,000	7.5
400,000 to 700,000	6.5
700,000 and over	6.3

If the standard premium lies between any two of the figures in the standard premium column, the Fixed Charge shall be interpolated.

g. "Tax Multiplier" as used in this endorsement shall mean the factor as set forth in Table II, to be applied to the fixed charge, to the modified losses and to the allocated claim expense in order to increase those amounts sufficiently to provide for those taxes which are levied as a percentage of premium and for assessments for industrial commissions, rating boards, and bureaus.

h.

TABLE II.—TABLE OF TAX MULTIPLIERS

State	Workmen's Compensation and Employers' Liability tax multiplier applicable to total insurance costs	Automobile bodily injury liability and property damage liability tax multiplier applicable to total insurance costs	Other bodily injury liability and property damage liability tax multiplier applicable to total insurance costs
All States except as noted below	1.029	1.024	1.024
Alabama	1.034	1.029	1.029
Arkansas	1.050	1.024	1.024
California	1.035	1.030	1.030
Delaware	1.050	1.024	1.024
Florida	1.036	1.024	1.024
Georgia	1.053	1.024	1.024
Hawaii	1.034	1.029	1.029
Idaho	1.040	1.034	1.034
Iowa	1.034	1.029	1.029
Kansas [1]	1.029	1.024	1.024
Louisiana	1.037	1.031	1.031
Maryland [2]	1.029	1.024	1.024
Mississippi	----------	1.034	1.034
New Jersey	1.042	1.024	1.024
New York [3]	1.040	1.024	1.024
N. Carolina	1.062	1.029	1.029
N. Dakota	----------	1.029	1.029
Ohio	----------	1.029	1.029
Oklahoma	1.05	1.045	1.045
Oregon	----------	1.026	1.026
Pennsylvania	1.040	1.024	1.024
S. Carolina	1.056	1.034	1.034
S. Dakota	1.034	1.029	1.029
Tennessee	1.050	1.029	1.029
Texas	1.058	1.053	1.051
Utah	1.031	1.026	1.026
Virginia	1.034	1.031	1.031
Washington	----------	1.026	1.026
Wyoming	----------	1.029	1.029

[1] Kansas Compensation Act provides for levying varying fees per claim which are paid into a fund for the support of the Industrial Commission. All such fees must be added to the modified losses before applying the tax multiplier.

[2] Maryland Compensation Act provides for levying assessment per $100 of pay roll for expenses of Industrial Commission. An amount equal to 3.4 cents per $100 of pay roll must be added to the fixed charges before applying the tax multiplier.

[3] New York Compensation Act provides for levying an assessment on indemnity losses for expenses of the Department of Labor. An amount equal to 4.5% of the indemnity losses incurred must be added to the modified losses before applying the tax multiplier.

2. If Table II fails to provide the proper tax multiplier, the multiplier will be obtained by using the following formula:

$$\text{Tax Multiplier} = \frac{1}{1.0 - (\text{the tax loading plus } 0.8\%)}$$

In any case where the tax multiplier is obtained by use of the formula and not the table, it will not be used in the premium computation until approved by the insured and the Under Secretary of War.

3. The deposit premium shall be 15% of the estimated annual standard premium.

4. The Company shall be paid 50% of the earned standard premium on policies written on a pay roll basis determined monthly by audit of the expended pay rolls and 50% of the earned standard premium on all other policies determined monthly on the basis of the actual monthly exposures.

5. The Company shall furnish to the insured and to the War Department a quarterly itemized statement of incurred losses.

6. Within sixty days after termination of the policies, the Company shall compute the

aggregate amount of modified losses plus all allocated claim expense times the tax multiplier, the aggregate fixed charge times the tax multiplier and the aggregate earned standard premium, and a preliminary settlement of premium shall be made.

7. Within eight months after termination of the policies, based upon a determination of loss reserves made not earlier than six months after such termination, the final settlement of premium computed in accordance with the provisions of this endorsement shall be made. If the losses so determined are not approved by the insured and the Under Secretary of War and agreement cannot be reached as to any modification thereof, the final settlement shall be deferred for a further period of six months or such further period up to twenty-four months as may be necessary to produce an approved determination of such loss reserves. In the event an approved determination of loss reserves cannot be reached by this method, the matter shall be referred for arbitration to a committee of three, one member of which shall be selected by the insured, one by the Company, and the third by those two members, and the decision of this committee shall be final upon approval by the Undersecretary of War.

8. If the policies are canceled, the earned standard premium shall be determined on a pro rata basis, but if such cancelation is effected by the insured—except for cancelation on termination of the project—the maximum premium shall be 90% of the standard premium for the original policy period, obtained by extending the earned standard premium on a pro rata basis, all increased by the provision for taxes.

Attachment

The Company may use its usual attachment clause.

NOTE: The method set forth below is to be followed in stating the Name of Employer in Item 1 of the Declarations:

Name of Employer: _____
C. P. F. F. contractor with U. S. A., and others, as described in endorsement _____
(insert "attached" or number)

(e) *General endorsement for general liability policy.*

GENERAL ENDORSEMENT FOR GENERAL LIABILITY POLICY

Amending Policy Numbered _____

It is agreed that:

1. *Name of insured.* The name and address of the Insured are:

(Name and address of Contractor)

prime cost-plus-a-fixed-fee contractor under Government Contract No. _____ with the United States of America and _____

(Names and addresses of subcontractors)

cost-plus-a-fixed-fee subcontractors and all other cost-plus-a-fixed-fee subcontractors under such contract.

The prime contractor agrees to notify the Company as soon as practicable of the names of all cost-plus-a-fixed-fee subcontractors under such contract not named herein. Failure so to notify the Company shall not invalidate the insurance.

Any notice relating to this insurance mailed or delivered by the Company to the prime contractor and to the subcontractors named in the policy shall be deemed notice to all subcontractors not named in the policy.

2. *Operations covered.* Such insurance as is afforded by the policy applies to all operations in connection with the contract designated in paragraph 1 of this endorsement and all subcontracts thereunder and does not apply to any other operations of the insured.

3. *Waiver of Subrogation Against the United States.* The Company waives any right of subrogation against the United States of America which might arise by reason of any payment under the policy.

4. *Rate Adjustment.* The rules and rates upon which the standard premium for the policy is based are subject to change at the end of each year of the policy to accord with rules and rates then in use by the Company, subject to the approval of the Under Secretary of War.

5. *Cancelation.* The cancelation condition of the policy is amended as follows:

a. The reference therein to a specified number of days is changed to thirty days.

b. This policy may be canceled by the named insured by mailing written notice to the Company stating when not less than thirty days thereafter such cancelation shall be effective.

c. Cancelation by the Company shall not be effective unless a copy of the notice of cancelation is mailed to _____

(Insert name or names and addresses of Contracting Officers of the Supply Service involved)

on the same day that notice of cancelation is mailed or delivered to the named insured.

d. In the event of cancelation by the named insured the Company will as soon as practicable mail notice thereof to the officer or officers named in the preceding paragraph.

6. *Aggregate Limits.* As respects insurance afforded under the policy for which an aggregate limit of liability is set forth therein such limit of liability shall apply to each year of the policy period.

7. *Interpretation of cross liability* As respects claims against any insured under this policy other insureds or the employees of other insureds shall be deemed to be members of the public.

8. *Exclusion of products liability.* The policy does not apply.

a. To the handling or use of, the existence of any condition in or a warranty of goods or products manufactured, sold, handled or distributed by the named insured, other than equipment rented to or located for use of others but not sold, if the accident occurs after the insured has relinquished possession thereof to others and away from premises owned, rented or controlled by the insured or on premises for which the classification is stated in the declarations as subject to this exclusion;

b. To operations, other than pick-up and delivery and the existence of tools, uninstalled equipment and abandoned or unused materials, if the accident occurs after such operations have been completed or abandoned at the place of occurrence thereof and away from premises owned, rented or controlled by the insured.

9. *Malpractice.* It is agreed that malpractice, error or mistake in rendering of medical, surgical, nursing or hospital services or treatment or the omission thereof shall be deemed an accident, and that all malpractice, error or mistake in the rendering or omission of such services or treatment to any one person shall be deemed one accident.

10. *Definition of "Cost".* When used as a premium basis the word "cost" shall mean the total cost of all operations performed for the named insured during the policy period by independent contractors not on a cost-plus-a-fixed-fee basis, including materials used or delivered for use, except maintenance or ordinary alterations and repairs on premises owned or rented by the named insured; any other provision of the policy relating to the meaning of the word "cost" when used as a premium basis is eliminated.

11. *Premium Adjustment.* The premium for this policy is to be computed in accordance with the provisions of the War Department Insurance Rating Plan Endorsement forming a part of Policy No. _____

(Insert number of Workmen's Compensation Policy)

Attachment

The Company may use its usual attachment clause.

NOTE: The method set forth below is to be followed in stating the Name of Insured in Item 1 of the Declarations:

Name of Insured: _____,
C. P. F. F. contractor with U. S. A., and others, as described in endorsement _____

(Insert "attached" or number)

(f) *General endorsement for automobile liability policy.*

GENERAL ENDORSEMENT FOR AUTOMOBILE LIABILITY POLICY

Amending Policy Numbered _____

It is agreed that:

1. *Name of Insured.* The name and address of the insured are: _____

(Name and address of _____, prime cost - plus - a - fixed - fee Contractor)

contractor under Government Contract No. _____ with the United States of America and _____

(Names and addresses of subcontractors)

cost-plus-a-fixed-fee subcontractors and all other cost-plus-a-fixed-fee subcontractors under such contract.

The prime contractor agrees to notify the Company as soon as practicable of the names of all cost-plus-a-fixed-fee subcontractors under such contract not named herein. Failure so to notify the Company shall not invalidate the insurance.

Any notice relating to this insurance mailed or delivered by the Company to the prime contractor and to the subcontractors named in the policy shall be deemed notice to all subcontractors not named in the policy.

2. *Automobiles Covered.* Such insurance as is afforded by the policy applies with respect to all automobiles owned or hired by the named insured if maintained for use principally in connection with the contract designated in paragraph 1 of this endorsement or any subcontract thereunder and applies with respect to all other automobiles only while used in connection with such contracts. Such insurance does not apply, however, to automobiles used exclusively on the premises and the ways immediately adjoining at which the work under such contracts is performed.

Automobiles owned by the named insured shall for the purposes of this insurance include automobiles owned in full or in part by the named insured or purchased or hired under bailment lease or owned by the United States of America and furnished to the named insured for his use.

Any exclusion with respect to use of an owned or hired automobile as a taxicab, public bus, public or livery conveyance or in the business of trucking for others, or beyond the limitations of restricted use endorsement is waived.

Any provision of the policy relating to fleet discounts is eliminated.

The premium for non-ownership coverage shall be determined by the application of the rates per $1,000 of remuneration for bodily injury liability and for property damage liability stated in the Declarations. The term "remuneration" as used herein shall include the remuneration earned by all employees of the named insured while engaged in operations in connection with such contracts. Any other provision of the Policy relating to premium for such coverage is eliminated.

3. *Waiver of Subrogation against the United States.*—The Company waives any right of subrogation against the United States of

America which might arise by reason of any payment under the policy.

4. *Rate Adjustment.* The rules and rates upon which the standard premium for the policy is based are subject to change at the end of each year of the policy to accord with rules and rates then in use by the Company, subject to the approval of the Under Secretary of War.

5. *Cancelation.* The cancelation condition of the policy is amended as follows:

a. The reference therein to a specified number of days is changed to thirty days.

b. This policy may be canceled by the named insured by mailing written notice to the Company stating when not less than thirty days thereafter such cancelation shall be effective.

c. Cancelation by the Company shall not be effective unless a copy of the notice of cancelation is mailed to _____

_____

(Insert name or names and addresses of Contracting Officers of the Supply Service involved)

on the same day that notice of cancelation is mailed or delivered to the names insured.

d. In the event of cancelation by the named insured the company will as soon as practicable mail notice thereof to the officer or officers named in the preceding paragraph.

6. *Interpretation of Cross Liability.* As respects claims against any insured under this policy other insureds or the employees of other insureds shall be deemed to be members of the public.

7. *Premium Adjustment.* The premium for this policy is to be computed in accordance with the provisions of the War Department Insurance Rating Plan Endorsement forming a part of Policy No. _____

_____

(Insert number of Workmen's Compensation Policy)

Attachment

The Company may use its usual attachment clause.

NOTE: The method set forth below is to be followed in stating the Name of Insured in Item 1 of the Declarations:

Name of Insured: _____, C. P. F. F. contractor with U. S. A., and others, as described in endorsement _____

_____

(Insert "attached" or number)

(g) *General endorsement for workmen's compensation and employer's liability policy.*

GENERAL ENDORSEMENT FOR WORKMEN'S COMPENSATION AND EMPLOYER'S LIABILITY POLICY

Amending Policy Numbered _____

It is agreed that:

1. *Name of employer.* The name and address of this Employer are:_____

_____

_____

(Name and address of contractor)

prime cost-plus-a-fixed-fee contractor under Government Contract No. _____ with the United States of America and _____

_____

_____

(Names and addresses of subcontractors)

cost-plus-a-fixed-fee subcontractors and all other cost-plus-a-fixed-fee subcontractors under such contract.

The prime contractor agrees to notify the Company as soon as practicable of the names of all cost-plus-a-fixed-fee subcontractors under such contract not named herein. Failure so to notify the Company shall not invalidate the insurance.

Any notice relating to this insurance mailed or delivered by the Company to the prime contractor and to the subcontractors named in the policy shall be deemed notice to all subcontractors not named in this policy.

2. *Operations covered.* Such insurance as is afforded by the policy applies to all operations in connection with the contract designated in paragraph 1 of this endorsement and all subcontracts thereunder and does not apply to any other operations of the Employer.

3. *Waiver of subrogation against the United States.* The Company waives any right of subrogation against the United States of America which might arise by reason of any payment under the policy.

4. *Rate adjustment.* The rules and rates upon which the standard premium for the policy is based are subject to change at the end of each year of the policy to accord with rules and rates then in use by the Company, subject to the approval of the Under Secretary of War. This provision applies in addition in the policy with respect to changes in rules and rates.

5. *Cancelation.* The cancelation condition of the policy is amended as follows:

a. The reference therein to a specified number of days is changed to thirty days.

b. Cancelation by the Company shall not be effective unless a copy of the notice of cancelation is mailed to _____

_____

_____

_____

(Insert name or names and addresses of Contracting Officer of the Supply Service involved)

on the same day that notice of cancelation is mailed or delivered to the Employer.

c. In the event of cancelation by the Employer the Company will as soon as practicable mail notice thereof to the officer or officers named in the preceding paragraph.

6. *Aggregate limits.* As respects insurance afforded under the policy for which an aggregate limit of liability is set forth therein such limit of liability shall apply to each year of the policy period.

7. *All States coverage.* In the event the Employer is obligated to pay compensation benefits under any Workmen's Compensation law of any state or district of the United States other than a Workmen's Compensation law cited in an endorsement made a part of the policy because of injuries sustained by employees while engaged in operations for the Employer in connection with the contract designated in paragraph 1 of this endorsement and all subcontracts thereunder, the Company agrees to pay such compensation benefits under the law of any such state other than the law of a state which does not permit the writing of Workmen's Compensation insurance by private carriers.

Attachment

The Company may use its usual attachment clause.

NOTE: The method set forth below is to be followed in stating the Name of Employer in Item 1 of the Declarations:

Name of Employer: _____, C. P. F. F. contractor with U. S. A., and others, as described in endorsement _____

_____

_____

(Insert "attached" or number)

(h) *Special endorsement for Missouri compensation policies written under the War Department insurance rating plan.*

It is agreed that:

1. The provisions of this endorsement are applicable solely with respect to persons in the employ of this Employer who are engaged in the business operations covered by the policy and whose average annual earnings exceed $3,600.

2. In the event of personal injury or death of any such person arising out of and in the course of his employment, the company will pay, subject to the provisions of paragraphs 3, 4, and 5 hereof, on behalf of this Employer, the same compensation and the same medical, surgical, hospital and other statutory benefits to or for such injured person or to any person claiming by, through, or under him in the event of death resulting from such injury, as would be payable under the Workmen's Compensation Law of Missouri if the injury or death had been that of an employee of this Employer whose average annual earnings were $3,600.

3. In consideration of these payments and as a condition precedent thereto the injured person or any persons claiming by, through or under him shall execute a full release of all claims for damages against this Employer in the manner required by the Company and shall in addition execute an assignment to the Company of any right of action available to any of them against any person, firm, corporation or estate other than this Employer which is or may be liable for such injury or death. If death of the injured shall result after a period of disability, death being due to such injuries and any one claiming by, through or under the injured shall accept any payment provided for in this endorsement which accrues after such death, with notice or knowledge of said release and assignment, the acceptance of such payment shall operate to estop the person so accepting from asserting that such release or assignment is not binding upon him.

4. If the Company proceeds upon such assignment and recovers and collects an amount from the party at fault in excess of the amount of the payments made hereunder, the Company shall first take the necessary expenses of the procedure and shall pay any remaining balance of such excess so obtained to the person or persons executing the assignment. The Company shall have power and discretion to proceed against the party at fault or to settle with said party upon such terms as may seem desirable to the Company, either without litigation or during the pendency thereof.

5. If the injured person or any person claiming by, through or under him shall refuse to accept the payments offered under the provisions of the preceding paragraphs, then the Company may withdraw the foregoing proposal without notice, under which circumstances the Company will be no longer bound by the undertakings expressed in the preceding paragraphs. If any claim, suit or demand is made or prosecuted against this Employer or any other person or organization for damages for such injuries or death, such claim, suit or demand shall be considered as a refusal to accept such payments and the obligations of the Company as expressed in Paragraph One (b) of the Policy as well as all parts of the Policy having reference thereto, subject however, to such limitations or modifications as may be endorsed thereon, shall be available to this Employer and shall be and remain the obligations of the Company as fully and completely as if this endorsement had not been written.

The _____ Insurance Company

(i) *Special endorsement for Delaware compensation policies written under the War Department insurance rating plan.*

The insurance shall be continuous until completion of the project or operation, except that if the project or operation is of indefinite duration and continues for a longer period than twenty-four months, at the expiration of the first twenty-four months the Rating Plan shall be applied and the policy shall be renewed and the Rating Plan again applied at the end of each twenty-four months' period, as though it were a new project or operation.

It is agreed that except for cancelation under the War Department Insurance Rating Plan Endorsement this policy shall remain

in effect for a period of twelve months and shall be renewed from year to year to the completion of the contract described in this policy.

It is also agreed that the Workmen's Compensation Rules and Rates which have been approved by the Industrial Accident Board of the State of Delaware and the Under Secretary of War shall be applicable to this policy and that the rates expressed in this policy shall be subject to change in accordance with the Rate Manuals promulgated by the Delaware Compensation Rating and Inspection Bureau and approved by the Industrial Accident Board of the State of Delaware and the Under Secretary of War.

It is agreed that Workmen's Compensation losses will be valued by the Delaware Compensation Rating and Inspection Bureau in accordance with the instructions of the Industrial Accident Board of the State of Delaware as approved by the Under Secretary of War.

It is further agreed that the named insured will undertake, and the insurance carrier hereby assumes, all of the liability under the Delaware Compensation Law because of injury or death resulting therefrom to employees of subcontractors who perform any part of the work described in this policy under cost-plus-a-fixed-fee contracts. To this end the named insured agrees to notify all subcontractors that he has assumed this liability and has provided the insurance thereof.

This endorsement forms a part of Compensation
Policy No. ----------
Issued to ----------

(Insurance Carrier)

Revised Draft.
Nov. 5, 1941.
Incl. No. 2.

(j) *Special endorsements for Massachusetts compensation policies written under the War Department insurance rating plan*—(1) *War Project Endorsement Form (D).*

The insurance company shall audit the pay roll for the purpose of computing premiums under this policy as soon as possible after its final expiration and, in any event, within eight months. Pay roll audits shall not be waived.

(2) *War Department Insurance Rating Plan Endorsement Form (2A).* Amending revised Form 2 (see paragraph (d) of this section), clause 1 (a) is hereby amended to read as follows:

The premium computed in accordance with the provisions of the policies, other than this endorsement, shall be known as the "standard premium" and shall be computed in accordance with manual rules and rates which have been approved by the *Massachusetts Commissioner of Insurance* and the Under Secretary of War.

Clause 1 (b) is hereby amended to read as follows:

"Losses incurred" as used in this endorsement shall mean the sum of all losses (indemnity and medical) actually paid plus reserves for unpaid losses as determined by the Company and approved by the *Massachusetts Commissioner of Insurance* and the Under Secretary of War.

Clause 2 is hereby amended to read as follows:

In any case where the tax multiplier is obtained by use of the formula and not the table, it will not be used in the premium computation until approved by *insurance company* and the Under Secretary of War.

Clause 5 is hereby amended to read as follows:

The Company shall furnish to the *Massachusetts Commissioner of Insurance* and to the War Department a quarterly itemized statement of incurred losses.

Clause 7 is hereby amended to read as follows:

Within eight months after termination of the policies, based upon a determination of loss reserves made not earlier than six months after such termination, the final settlement of premium computed in accordance with the provisions of this endorsement shall be made. If the losses so determined are not approved by the *Massachusetts Commissioner of Insurance* and the Under Secretary of War and agreement cannot be reached as to any modification thereof, the final settlement shall be deferred for a further period of six months or such further period up to twenty-four months as may be necessary to produce an approved determination of such loss reserves. In the event such an approved determination of loss reserves cannot be reached by this method, the matter shall be referred for arbitration to the Committee of three, one member to be selected by the insured, one by the carrier and a third by those two members and the decision of this committee shall be final upon approval by this Massachusetts Commissioner of Insurance and the Under Secretary of War.

(3) *General endorsement for workmen's compensation and employers' liability policy.* Amending Workmen's Compensation Endorsement 10 (see paragraph (g) of this section), the second sentence of paragraph 2, clause 1, is hereby amended so as to read as follows:

Failure so to notify the Company shall not invalidate the insurance but the insurance company shall be entitled to all premiums due on account of the operations of such subcontractor.

Clause 4, is hereby amended so as to read as follows:

The rules and rates upon which the standard premium for the policy is based are subject to change at the end of each year of the policy to accord with rules and rates which the Massachusetts Commissioner of Insurance permits the Company to use subject to the approval of the Under Secretary of War. This provision applies in addition to any other provision in the policy with respect to changes in rules and rates.

(4) *General endorsement for automobile liability policy.* Amending Automobile Liability Endorsement 30 (see paragraph (f) of this section), the second sentence of paragraph 2 of clause 1 is hereby amended so as to read as follows:

Failure so to notify the Company shall not invalidate insurance but the insurance company shall be entitled to all premiums due on account of the operations of such subcontractor.

(5) *War Department amended Insurance Service Agreement.* Paragraph 1 of the War Department Insurance Service Agreement is hereby amended by striking out said paragraph 1 and inserting in its place the following new paragraph. (See paragraph (l) of this section.)

I (We) ----------, *Insurance Advisor licensed under Gen. Law, Chap. 175, Sec. 177B, *Insurance Agent licensed under Gen. Laws, Chap. 175, Sec. 163, *Insurance Broker licensed under Gen. Laws, Chap. 175, Sec. 166, hereinafter called the Party of the First Part, agree, in consideration of the sum of money to be determined as hereinafter set forth, to render complete insurance advisory service to ----------, hereinafter called the Party of the Second Part, on all insurance upon which a fixed charge is based, during the construction or operation of ----------, located at ---------- from the effective date of this Agreement continuously until final stat settlement of all premiums has been made.

(k) *Special endorsement for Pennsylvania compensation policies written under the War Department insurance rating plan.*

XXIV—SPECIAL ENDORSEMENT FOR PENNSYLVANIA COMPENSATION POLICIES WRITTEN UNDER THE WAR DEPARTMENT INSURANCE RATING PLAN

The insurance shall be continuous until completion of the project or operation, except that if the project or operation is of indefinite duration and continues for a longer period than twenty-four months, at the expiration of the first twenty-four months the Rating Plan shall be applied and the policy shall be renewed and the Rating Plan again applied at the end of each twenty-four months' period, as though it were a new project or operation.

It is agreed that except for cancelation under the War Department Insurance Rating Plan Endorsement this policy shall remain in effect for a period of twelve months and shall be renewed from year to year to the completion of the contract described in this policy.

It is also agreed that the Workmen's Compensation Rules and Rates which have been approved by the Pennsylvania Insurance Commissioner and the Under Secretary of War shall be applicable to this policy and that the rates expressed in this policy shall be subject to change in accordance with the rates Manuals promulgated by the Pennsylvania Compensation Rating and Inspection Bureau and approved by the Pennsylvania Insurance Commissioner and the Under Secretary of War.

It is agreed that Workmen's Compensation losses will be valued by the Pennsylvania Compensation Rating and Inspection Bureau in accordance with the instructions of the Pennsylvania Insurance Commissioner as approved by the Under Secretary of War.

It is further agreed that the named insured will assume liability in connection with section 302 (b) of the Compensation Act and the Occupational Disease Act, for employees of subcontractors performing any part of the construction described in this endorsement under cost-plus-a-fixed-fee contracts, and to this end the named insured agrees to notify all subcontractors that he has assumed the position of "statutory employer" for the employees of all such subcontractors. This endorsement forms a part of Compensation
Policy No.----------
Issued to----------

(Insurance Carrier)

*Strike out this line if inapplicable.

(l) *Texas national defense projects—*
(1) *Control endorsement.*

CONTROL ENDORSEMENT

Amending:
Policy No.----------
and all endorsements thereto.

Whereas, the Board of Insurance Commissioners of Texas is vested with the sole and exclusive power and authority to make, fix, prescribe, establish, and promulgate insurance rates and classifications of hazards governing premiums for Workmen's Compensation and Motor Vehicle Insurance as authorized by the laws of the State of Texas, now therefore:

It is agreed that the standard premium as used in this policy or any endorsement attached to it or relating thereto shall mean a premium calculated according to the Manual rules and rates of the Board of Insurance Commissioners of Texas and the special rules and rates promulgated in connection with the War Department Emergency Insurance Rating Plan adopted by the said Board of Insurance Commissioners for use in Texas.

All premium computations provided for in this policy or in any endorsement attached to it or relating thereto shall be promptly submitted by the insurer to the Texas Casualty Insurance Commissioner and shall take effect only upon their promulgation by such Commissioner.

This endorsement, together with the policy to which it is attached and all other endorsements attached or pertaining thereto, is in the form prescribed by the Texas Board of Insurance Commissioners in accordance with statutory direction. Any contract or agreement written under the provisions of the hereinabove mentioned Rating Plan which conflicts in any wise whatsoever with the provisions of this endorsement or with the provisions of Texas law shall be void and of no effect to the extent of such conflict, except as these requirements may conflict with statutes of the United States relating to functions of the United States of America under the Constitution.

(2) *Attachment.* A company may use its usual attachment clause.

(3) *War Department insurance service agreement for use in the State of Texas.*

WAR DEPARTMENT INSURANCE SERVICE AGREEMENT FOR USE IN THE STATE OF TEXAS

I (we), ----------, hereinafter called First Party, agree, in consideration of a sum of money to be determined as hereinafter set forth, to render complete insurance advisory service to ----------, hereinafter called Second Party, on all insurance upon which a fixed charge is based, during the construction or operation—or both—(as the case may be) of----------, located at ----------, from the effective date of this Agreement continuously until final settlement of all premiums has been made.

The complete insurance service to be rendered by the First Party shall include a review of all policies of insurance; verification of all statements of premiums, losses and loss reserves submitted to the Second Party by the carrier; verification of all payroll classifications assigned to the policies, a determination that payrolls are assigned to proper classifications; and the rendering of detailed reports of findings to the Second Party, monthly.

The Second Party agrees to pay to the First Party, in consideration of the services to be rendered, a fixed charge, as hereinafter provided, which shall be determined by applying the fixed charge (expressed as a percentage of standard premiums), found in the following table to 50% of the standard premium for all policies issued to the Second Party on the War Department comprehensive rating plan.

FIXED CHARGE TABLE

A 50% of the standard premium as hereinabove defined:	*B Fixed charge expressed as a percentage of standard premiums stated in Column A (percent)*
1st $10,000	7½
Next $40,000	4
Next $50,000	2
Next $400,000	1
Over $500,000	½

The First Party shall submit monthly to the Second Party a detailed statement of the aggregate earned standard premium and the aggregate earned fixed charge less all monthly payments of earned fixed charge to date; except that if this Agreement supersedes a previous agreement which has been terminated, the First Party shall submit to the Second Party, monthly a detailed statement of the aggregate earned standard premium less that portion earned prior to the date of this Agreement and the aggregate earned fixed charge which shall be determined by applying to the amount of standard premium earned since the effective date of this Agreement, the earned fixed charge percent applicable to the total earned standard premium, less all payments of earned fixed charge made under this Agreement. Upon approval, the Second Party shall pay to the First Party the unpaid portion of the earned fixed charge. A final detailed statement shall be submitted the First Party upon receipt of final audit statements from the carrier and final settlement shall then be made upon approval of such audit by the War Department and the Second Party.

This agreement may be terminated by either of the parties, upon notice in writing to the other party and to the Texas Casualty Insurance Commissioner, and the termination shall be effective immediately upon notice being sent to said Commissioner. The fixed charge shall be determined in accordance with the terms of this Agreement, as of the effective date of termination, and final settlement shall then be made.

This agreement shall be effective and binding on the undersigned from and after ---------- executed this ------ day of ----------, A. D., 19--.

---------- ----------
Attest First Party

---------- ----------
Attest Second Party

Approved: United States War Department
By ----------
(Contracting Officer)

(m) *War Department insurance service agreement.*

WAR DEPARTMENT INSURANCE SERVICE AGREEMENT

1. ---------- an individual, a
(Name of Adviser)
partnership, a corporation organized and existing under the laws of ----------
(strike out inapplicable
---------- of ----------
designations and/or add (Address of Advisor)
appropriate designation)
hereinafter called the "Advisor", agree(s), in consideration of a fee to be determined in the manner hereinafter set forth, to render complete insurance advisory service to --------
(Name of
---------- of ----------, con-
contractor) (Address of Contractor)
tractor with the United States of America under Contract No. ---------- hereinafter called the "Contractor", on all insurance procured under the War Department Insurance Rating Plan with respect to the construction or operation (or both, as the case may be) of ----------, located at or near ----------, from the effective date of this agreement continuously until final settlement of all premiums for such insurance has been made.

2. The Advisor agrees that he will:

a. Upon request, assist the Contractor in the selection of an insurance carrier;

b. Procure insurance binders and policies and examine to determine that they are correctly written and that the required coverages are provided;

c. Upon request, assist the Contractor in establishing proper procedure and records for determining payroll classifications and for other units of exposure upon which insurance premiums are based;

d. Examine all insurance audit statements and premium invoices;

e. Visit the project or location of operations at least once each month to determine that insurance matters are being properly handled;

f. Render any other assistance of an insurance nature which the Contractor may require; and,

g. Submit to the Contractor monthly a detailed report of findings and of services performed.

3. The Contractor agrees to pay the Advisor a fee for his services, the amount of which shall be determined by applying the applicable percentages set forth in Column B below to 50% of the standard premium accruing during the period of this agreement on policies issued to the Contractor under the War Department Insurance Rating Plan. "Standard Premium" as used herein shall mean the premium for such policies computed on the basis of the manual rules and rates approved by the War Department for use in connection with the policies issued to the Contractor under the War Department Insurance Rating Plan.

FEE SCHEDULE

A 50% of the standard premium as hereinabove defined:	*B Fee, expressed as a percentage of standard premiums stated in column A (percent)*
1st $10,000	7½
Next $40,000	4
Next $50,000	2
Next $400,000	1
Over $500,000	½

4. The Advisor shall submit monthly a statement of the aggregate earned standard premium and the aggregate earned advisor's fee, less the amount of all fees previously earned. If, however, this agreement supersedes a previous insurance service agreement or agreements, the Advisor shall submit monthly a statement of (a) the aggregate standard premium earned during the term of all agreements; (b) the aggregate standard premium earned during the term of all previous agreements; and (c) the fee earned during the term of this agreement less all fees previously earned under this agreement. The fee earned under this agreement shall be computed by applying the basis of computation as set forth in this agreement to the aggregate standard premium earned during the term of all agreements, and deducting from the total fee thus computed, the portion thereof applicable to the aggregate standard premium earned during the term of all previous agreements. Upon approval by the Contractor of each such monthly statement, the Advisor shall be paid the earned fee. A final statement shall be submitted by the Advisor upon

receipt of final audit statements from the insurance carrier and final settlement of the Advisor's fee shall be made as soon as practicable thereafter.

5. The Advisor agrees that he will neither accept employment by nor any remuneration directly or indirectly from the insurance carrier for services rendered in connection with the insurance written under the War Department Insurance Rating Plan covering operations under the contract referred to in paragraph 1 hereof.

6. This agreement may be terminated by either of the parties hereto upon notice in writing mailed to the other party stating when, not less than ten days thereafter, such termination shall be effective. Delivery of such notice shall be equivalent to mailing. In the event of termination a copy of such notice shall immediately be mailed to____

_____ _____
(Contracting officer) (Address)

If this Agreement is terminated as herein provided, the Advisor's fee shall be computed in the manner provided herein on the standard premium accrued to the effective date of termination.

This agreement, executed this_____ _____ day of _____, 194__, shall be effective and binding on the undersigned from and after _____

Attest: _____
(Insurance Advisor)

_____ By _____
Title _____ Title _____
(Affix Corporate Seal)

Witnesses as to Advisor:

_____
(Name) (Address)

_____
(Name) (Address)

Attest:

_____
(Contractor)

_____ By _____
Title _____ Title _____
(Affix Corporate Seal)

Witnesses as to Contractor:

_____
(Name) (Address)

_____
(Name) (Address)

Approved:

_____
(Contracting Officer)

NOTE: If a corporation, signature should be attested by a corporate officer and corporate seal affixed. In all other cases two witnesses are required.

(n) *Reports to be furnished by insurance advisors*—(1) *Insurance advisor's monthly statement of earned fee.*

INSURANCE ADVISOR'S MONTHLY STATEMENT OF EARNED FEE

Advisor _____
Address _____
Date _____
Contractor _____ Contract No. _____
Project _____ Location _____
Insurance Carrier _____
Policy Period: From _____
to _____
Effective date of Insurance Service Agreement _____
Period _____ to _____
_____ Aggregate Earned Standard Premium
Workmen's Compensation and O. D. Policy_____ $____
Comprehensive Public Liability Policy_ $____
Comprehensive Auto Liability Policy__ $____
Total _____ $____
Less 50%_____ $____
Net Earned Premium Upon which Advisor's Fee is based_____ $____

(2) *Computation of advisor's fee.*

COMPUTATION OF ADVISOR'S FEE

1st	$10,000	$_____ at	7½%	$_____
Next	40,000	$_____ at	4%	$_____
Next	50,000	$_____ at	2%	$_____
Next	400,000	$_____ at	1%	$_____
Over	500,000	$_____ at	½%	$_____

Total Earned Fee_____ $____
Less: Fee Previously Earned_____ $____
Fee Due Advisor_____ $____

(The Insurance Advisor's Monthly Report of Services Rendered should follow the following topical outline and should be complete, clear and concise.)

(3) *Insurance advisor's monthly report of services rendered.*

INSURANCE ADVISOR'S MONTHLY REPORT OF SERVICES RENDERED

Period _____ to _____
1. Insurance Placed and Policies Procured _____
2. Policies, Binders, Endorsements, etc., Examined—Conditions Found and Action Taken _____
3. Rating Procedures and Records Established _____
4. Audit Statements and Premium Invoices Examined—Conditions Found and Action Taken _____
5. Other Data Procured from Carriers—Comments _____
6. Visits to Project _____
(a) Date _____
(b) Report of Safety Engineering Service and Facilities _____
(c) Report of Claim Service and Facilities _____
(d) Report of Hospital and Medical Service and Facilities _____
(e) Other visits—Date, Purpose and Results _____
7. Other Services Rendered _____
8. Recommendations: (List and be specific) _____

_____
(Insurance Advisor)
By _____
Title _____

(o) *Computation of earned premium; Comprehensive insurance rating plan; Exhibit 1.*

_____
(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Policy Numbers

_____
_____
_____
Name of Risk _____
_____
Location of Operations _____
_____
Policy Period: from _____ to _____
Valuation Date _____
Government Agency _____
Government Contract Number _____

Item		(a) Compensation and employment liability	(b) Automobile bodily injury and property damage	(c) General liability	(d) Total (a)+(b)+(c)
1	Standard premium				
2	Premium base for determination fixed charges	(1)X.90	(1)	(1)	
3	Fixed charge percentage				XXXX
4	Fixed charge amount (2) × (3)				
5	Incurred losses				
6	Modified losses (5) × 1.12				
7	Allocated claims expense				
8	Industrial Commission assessments Kans., Md., or N. Y. Show computation below				
9	Indicated premium (4)+(6)+(7)+(8) excluding tax multiplier				
10	Maximum premium excluding tax multiplier				
11	Tax multiplier				XXXX
12	Gross adjusted premium (9) × (11) or (10) × (11) whichever is the less in total [col. (d)]				
13	Premium previously billed				
14	Additional return (12)—(13). Premium due and now payable (13)—(12)				

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premium; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium or prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under Contract No. _____.

_____
(Name of Insurance Company)
By _____
Vice President

(p) *Comprehensive insurance rating plan.*

COMPREHENSIVE INSURANCE RATING PLAN

_____
(Name of Carrier)

SUMMARY OF PREMIUM PREVIOUSLY BILLED

Policy Numbers

_____
_____
_____
Policy Period: from _____ to _____
Valuation date _____
Name of Risk _____
_____
Location of Operations _____
_____
Government Agency _____
Government Contract Number _____

Audit periods billed	Compensation and employers liability	Automobile bodily injury and property damage	General liability	Total
Total premium previously billed				
Standard premium (previously billed) + .50				

(q) *Comprehensive insurance rating plan.*

COMPREHENSIVE INSURANCE RATING PLAN—EXHIBIT II

(Name of Carrier)

SUMMARY—REPORT OF LOSSES INCURRED

Policy Period: from _____ to _____
Valuation Date _____
Name of Risk _____
Location of Operations _____
Government Agency _____
Government Contract Number _____

Line of insurance and policy numbers (1)	Type of claims (2)	Number of claims (3)	Losses incurred: Compensation or liability (4)	Medical (5)	Total losses (4) + (5) (6)	Allocated expense (7)	Total losses and expense (6) + (7) (8)
Workmen's compensation	Open cases						
	Closed cases						
	Contract medical		XXXX				
	Total—Workmen's compensation						
Automobile	Open cases			XXXX			
	Closed cases			XXXX			
	Total—Automobile			XXXX			
General liability	Open cases			XXXX			
	Closed cases			XXXX			
	Total General liability			XXXX			
Total—All lines							

*Analysis of Contract Medical as reported in column (5):

Cost incurred for—	Number	Amount
Doctors		
Nurses and Technicians		
Medical supplies	XXX	
Total		

I hereby certify that the above statement of losses, paid and outstanding, is correct and just; that it includes all medical and allocated claims expense; that the claims referred to therein are properly chargeable to the policy of insurance and the insured(s) enumerated in said policy, and that such claims arose out of no operations other than those described in said policy.

_____ (Company)

By _____
Vice-President

(r) *Comprehensive insurance rating plan.*

COMPREHENSIVE INSURANCE RATING PLAN—EXHIBIT 3

(Name of Carrier)

Itemized statement of workmen's compensation and employers' liability losses incurred

Page _____

Name of risk _____
Location of operations _____
Government agency _____
Government contract number _____
Policy number _____
Policy period: from _____ to _____
Valuation date _____

Carrier's claim No. (1)	Name of injured or claimant (2)	Date of accident (3)	Description of accident for closed cases only (4)	Losses incurred: Compensation (5)	Medical (6)	Allocated expense (7)	Total (5)+(6)+(7) (8)
Total			Number of claims				

(s) *Comprehensive insurance rating plan.*

COMPREHENSIVE INSURANCE RATING PLAN—EXHIBIT IV

(Name of Carrier)

Itemized statement of losses incurred

Automobile [ ] General liability [ ]

Page _____

Name of risk _____
Location of operations _____
Government agency _____
Government contract number _____
Policy number _____ Policy period: from _____ to _____
Valuation date _____

Carrier's claim No. (1)	Name of injured or claimant (2)	Date of accident (3)	Description of accident for closed cases only (4)	Losses incurred: Bodily injury (5)	Property damage (6)	Allocated expense (7)	Total (5)+(6)+(7) (8)
Totals			Number of claims				

(t) *Individual report; open loss.*

INDIVIDUAL REPORT—OPEN LOSS

Workmen's Compensation and Employers' Liability Valuation date.

Claim No.	Policy number	Carrier	Project number	Accident date

Claimant	Average weekly wage	Weekly compensation	Estimated disability

Indemnity paid	Medical paid	Indemnity outstanding	Medical outstanding	Allocated expense incurred	Total losses and allocated expenses incurred

Detailed report of accident, injury or damage, and allocated claim expense

Prospects regarding subrogation and action taken

For use by government agency only

Was award entered in the case?

If so, name court or commission

FATAL LOSS DATA

Date of death

Dependents

Name	Relationship	Date of birth	No. of weeks	Rate of compensation	Amount

(u) *Individual report; open loss.*

INDIVIDUAL REPORT—OPEN LOSS

Automobile ☐ General liability ☐ Valuation date_____

Claim No.	Policy number	Carrier	Project number	Accident date

Claimant

Incurred loss—bodily injury	Incurred loss—property damage	Allocated expense incurred	Total losses and allocated expenses incurred

Detailed report of accident, injury or damage, and allocated claim expense

Prospects regarding subrogation and action taken

For use by government agency only

Was an award or judgment entered in the case?

If so, name court

(v) *Comprehensive insurance rating plan release.*

COMPREHENSIVE INSURANCE RATING PLAN RELEASE

This release executed this _____ day of _____ 194__, by the _____, (Insurance Company) hereinafter referred to as the insurance company,

Witnesseth that:

Whereas, the said insurance company entered into certain policies of insurance numbered _____ with the _____, the fixed-fee contractor with the United States of America under Government Contract No. _____, and

Whereas, the premiums for such insurance policies are to be computed on the _____ Insurance Rating Plan Endorsement, which is made a part of such policies, and

Whereas, the contract between the United States of America and the fixed-fee contractor provides that the United States of America can settle any and all claims arising thereunder, including insurance premiums, and

Whereas, it is provided in the _____ Insurance Rating Plan Endorsement that all losses, loss reserves and premiums claimed by said insurance company to be due by said contractor are to be approved by the _____, as a prerequisite to their payment by the said fixed-fee contractor, and

Whereas, the said premium has been computed in accordance with the aforementioned _____ Insurance Rating Plan Endorsement and the losses, loss reserves and premiums have been approved by the _____ or his duly authorized representative;

Now, therefore, in consideration of the sum of _____ Dollars, the said _____ (Insurance Company) does by these presents, release, quitclaim and forever discharge the said _____ fixed-fee contractor, and the United States of America from any and all premiums, or claims therefor, under the aforesaid insurance policies.

In Witness whereof the _____ (Insurance Company) has caused its name to be signed and executed by _____, its Vice President, and its seal affixed and attested by _____, its Secretary, pursuant to a resolution of its Board of Directors.

Attested:

_____ (Name of Insurance Company)

_____ (Assistant Secretary)

(w) *Comprehensive insurance rating plan; quarterly report of losses incurred.*

COMPREHENSIVE INSURANCE RATING PLAN

QUARTERLY REPORT OF LOSSES INCURRED

Carrier_____

Effective date_____

Period covered by report _____ to _____

U. S. Government agency_____

Insured_____

Valuation date_____

Name of project_____

Location of operations_____

Nature of operations_____

Line of insurance and policy numbers	Type of claims	Number of claims	Incurred indemnity losses	Incurred medical losses	Total incurred losses	Total incurred allocated expense	Total incurred losses and expense
Workmen's compensation.	Non-serious-closed claims						
	Non-serious-open claims						
	Serious-closed claims						
	Serious-open claims						
	Contract medical		XXXXXX				
	Total workmen's comp						
Automobile	Non-serious-closed claims		XXXXXX	XXXXXX			
	Non-serious-open claims		XXXXXX	XXXXXX			
	Serious-closed claims		XXXXXX	XXXXXX			
	Serious-open claims		XXXXXX	XXXXXX			
	Total automobile		XXXXXX	XXXXXX			
Other lines	Non-serious-closed claims		XXXXXX	XXXXXX			
	Non-serious-open claims		XXXXXX	XXXXXX			
	Serious-closed claims		XXXXXX	XXXXXX			
	Serious-open claims		XXXXXX	XXXXXX			
	Total other lines		XXXXXX	XXXXXX			
Total all lines			XXXXXX	XXXXXX			

Amount of reimbursement of contract medical actually received: $_____

Subrogation recoveries actually received: Workmen's Compensation $_____, Automobile $_____ and other lines $_____

(x) *Comprehensive insurance rating plan; quarterly report of losses incurred.*

COMPREHENSIVE INSURANCE RATING PLAN

QUARTERLY REPORT OF LOSSES INCURRED

(Itemized statement of serious claims)

Carrier _____
Period covered by report _____
to_____
Name of project _____ Page ____
Policy number _____

Carriers claim number	Name of injured	Date of accident	Cause and nature of injury	Closed or open	Losses in urred			
					Indemnity	Medical	Allocated expenses	Total

(y) *Missouri agreement and release.*

Agreement made the _____ day of _____, 194__, by and between _____, hereinafter referred to as the injured person, residing at _____ in _____ State of _____, and _____ Insurance Company of _____, hereinafter referred to as insurer.

Whereas, the average annual earnings of said injured person computed under the workmen's compensation law of the State of Missouri exceed $3,600 so that such law would not be applicable, and,

Whereas, the injured person alleges he suffered personal injuries by accident on the _____ day of _____, 194__, at or about _____ in _____ State of _____, while in the employ of _____ of _____ State of _____ hereinafter referred to as employer, and

Whereas, the employer has provided for payment of voluntary workmen's compensation benefits, herein enumerated, by contract with the insurer;

It is agreed:

1. That the insurer will pay to the injured person the sum of $_____ weekly, starting as of the _____ day of _____, 194__, payable by-weekly and continuing until such time as the insurer shall have paid to the injured person an amount equal to that sum which the injured person would receive had his average annual earning been $3,600 and had he a valid and enforceable claim for workmen's compensation benefits under the workmen's compensation law of the State of Missouri on account of the aforesaid occurrence.

2. That the insurer will provide the injured person with such medical, surgical and hospital attention as the nature of his injuries resulting from the aforesaid occurrence may require to the extent that the injured person would receive had he a valid and enforceable claim for workmen's compensation benefits under the workmen's compensation law of the State of Missouri.

3. That any difference or controversy arising between the parties with respect to this agreement shall be settled by arbitration. In such event, the injured person shall appoint one arbitrator, and the insurer shall appoint another. The arbitrators thus appointed shall agree upon and appoint a third. All parties hereby agree to be bound by the decision of any two of said arbitrators and hereby waive all rights to take any legal measures except to enforce the arbitrators' award. If the difference or controversy is essentially a medical question the arbitrators so selected shall be duly licensed physicians.

4. That in consideration of the undertakings of the insurer and the payments to be made and benefits to be provided as hereinbefore set forth, the injured person for himself, his heirs, assigns and legal representatives does hereby forever release, discharge, and acquit the aforesaid employer and the insurer, their successors and assigns, heirs and legal representatives of and from any and all causes of action, rights, remedies, claims, suits or judgments the injured person or his heirs, assigns or legal representatives now have by reason of the aforesaid occurrence.

In witness whereof the parties have hereunto set their hands and seals on the date above mentioned.

_____
Witness

_____L. S.
(Injured person)

_____ By_____L. S.

Witness

[STATE OF_____} ss:
*County of*_____}

On the _____ day of _____ 194__, before me personally came_____ _____ to me known and known to me to be the individual who executed the foregoing instrument and he acknowledged to me that he duly executed the same.

_____][1]

(z) *Final receipt and release; Missouri.*

I, _____, residing at _____, in _____, state of _____, hereby acknowledge receipt of ($_____) _____ dollars paid me this day by _____ Insurance Company under an agreement dated the _____ day of _____ 194__.

I hereby acknowledge that to this date, including the amount mentioned above, _____ Insurance Company has paid me the total sum of ($_____) _____ dollars; that _____ Insurance Company has fulfilled and carried out in all respects the terms of the aforesaid agreement and that all obligations thereunder, including any obligation to provide medical or other services have terminated.

In consideration of all said payments and benefits and in conformity with the abovementioned agreement I, for myself, my heirs and legal representatives do hereby forever release, discharge and acquit _____ Insurance Company and _____, MY employer at the time of the accident or occurrence described in said agreement, of and from any and all causes of action, rights, remedies, claims, suits or judgments I now have or which I or my heirs or legal representatives hereafter may have by reason of the aforesaid agreement, or the accident or occurrence described therein, or under any policy of insurance _____ Insurance Company issued to my said employer.

In witness whereof I have hereunto set my hand and seal on this _____ day of _____, 194__.

_____ L. S.
Injured person

STATE OF _____} ss.:
County of _____}

On the _____ day of _____, 194__, before me personally came _____ _____, to me known and known to me to be the individual who executed the foregoing instrument and he acknowledged to me that he duly executed the same.

_____
Notary Public

(aa) *Boiler inspection contract.* The following is the approved form of boiler inspection contract:

The _____ of _____ (hereinafter called the Company) hereby agrees with _____ a contractor with the United States (hereinafter called the Contractor) to inspect boilers and pressure vessels owned, or operated, or under the control of the Contractor and contained in a plant owned, or operated, or controlled by said Contractor in its capacity as contractor with the United States, as aforesaid, under Contract No. _____ with the United States.

The location of such plant and the location of the Company's inspection Headquarters designated for the particular plant at which said pressure vessels and boilers are to be inspected are as follows:

Name and location of Plant	*Company's inspection headquarters*
Name	Person
Location	Office
Mailing address	Mailing address
Telephone No.	Telephone No.

This agreement is subject to the following stipulations and conditions:

1. Such inspections shall be made by duly qualified inspectors regularly employed by the Company, employing methods at least equal to the requirements of the American Society of Mechanical Engineers' Code.

2. The Contractor at its own expense shall make necessary preparations and arrangements for the making of such inspections. The Contractor shall send a written request therefor, at least ten days in advance, to the Company's Inspection Headquarters designated herein for the plant containing the object to be inspected, specifying the kind of inspection desired in each instance, and specifying the time when said inspection is to be made and describing the object to be inspected.

3. Following each inspection the Company will mail a copy of a report of such inspection to the Contractor and _____ copies thereof to the Contracting Officer of the United States at the address of the plant at which the inspection was made, which report shall set forth the conditions found as a result of the inspections.

4. Fees for such inspection service shall be as follows: The Company shall bill the Contractor on the first day of the month following the month in which the report of such inspection was rendered and such fees shall be payable on the tenth day of the month following the month in which the bill was submitted.

(a) $10.00 for each internal inspection of a water tube boiler having rated heating surface of over 10,000 sq. ft.;

(b) $5.00 for each internal inspection of a water tube boiler having a rated heating surface of not more than 10,000 sq. ft.;

(c) $3.00 for each internal inspection of any other boiler or pressure vessel;

(d) $2.00 for each external inspection of any boiler or pressure vessel;

[1] NOTE: The matter in brackets is optional.

(e) $1.00 in District No. 1; $2.00 in District No. 2; $3.00 in District No. 3 for each visit made by the Company's Inspector to a plant at the Contractor's request whether or not an inspection is made, which "visit" fees shall be in addition to the fees specified in Sections (a), (b), (c), and (d) of this paragraph. A list of the states comprising each such district is annexed hereto.

(f) The "visit" shall mean a call at any one plant, by any one Inspector, in any one day; if one Inspector calls at one plant more than once in any one day, such calls will be considered as only one "visit".

(g) A "day" shall mean each period of twenty-four hours commencing at the time the inspector arrives at the plant.

(h) "External Inspection" shall mean an examination of a boiler or pressure vessel in operation and under pressure.

(i) "Internal Inspection" shall mean a complete internal and external examination of a boiler or pressure vessel when not in operation or under pressure.

5. The Company shall not be liable directly or indirectly for any loss or injury to property or persons resulting from any accident to, or defect in, any object; nor shall the Company be liable directly or indirectly for loss or damage of any kind arising from an inspection or a report thereof, or from the omission of an inspection or of a report whether or not such inspection or report or omission was at the request of the Contractor.

6. Either party hereto may terminate this agreement by mailing written notice thereof to the other party at the address set out herein, and, at the same time, a copy to the contracting officer at the address of the plant at which the inspection was made, at least thirty days before the effective date of such termination.

In witness whereof, The parties hereto have executed this agreement at _____ on the _____ day of _____ 194__.

THE _____ COMPANY

By _____
Vice President.

Attest: _____
Secretary.

_____
Contractor.

By _____
(Title)

Approved:

_____
Contracting Officer's Representative.

LIST OF STATES WITH DISTRICT CLASSIFICATION

	District No.
Alabama	2
Arizona	3
Arkansas	2
California	3
Colorado	3
Connecticut	1
Delaware	1
Dist. of Columbia	1
Florida	2
Georgia	2
Idaho	3
Illinois	1
Indiana	1
Iowa	1
Kansas	3
Kentucky	2
Louisiana	2
Maine	1
Maryland	1
Massachusetts	1
Michigan	1
Minnesota	1
Mississippi	2
Missouri	1
Montana	3
Nebraska	3
Nevada	3
New Hampshire	1
New Jersey	1
New Mexico	3

LIST OF STATES WITH DISTRICT CLASSIFICATION—continued

	District No.
New York	1
North Carolina	2
North Dakota	3
Ohio	1
Oklahoma	3
Oregon	3
Pennsylvania	1
Rhode Island	1
South Carolina	2
South Dakota	3
Tennessee	2
Texas	3
Utah	3
Vermont	1
Virginia	2
Washington	3
West Virginia	2

LIST OF STATES WITH DISTRICT CLASSIFICATION—continued

	District No.
Wisconsin	1
Wyoming	3

INTERBRANCH AND INTERDEPARTMENTAL PURCHASES

Section 81.606 (g) is amended as follows:

§ 81.606 *Purchases under contracts of Procurement Division, Treasury Department.* * * *

(g) *Mandatory schedules.* The following is a list of the classes of the General Schedule of Supplies which are mandatory on the field services of the War Department:

Description of item	Schedule of supplies	Period
Explosives and blasting accessories	4, Supp. No. 1	January 1 to December 31, 1943
Gasoline and fuel oil	7 and 14, Regions 1 to 6, inclusive.	July 1, 1942, to June 30, 1943
Tire chains	8, Supp. No. 3	January 1 to June 30, 1943
Greases and gear lubricants	14, Supp. No. 1	May 15 to December 31, 1943
Automotive storage batteries	17, Supp. No. 2	September 15, 1942, to March 15, 1943 (extended to September 15, 1943)
Telephones and parts	17, Supp. No. 6	September 1, 1941 to August 31, 1942 (extended to August 31, 1943)
Electric lamps	17, Supp. No. 3A	September 1, 1942, to August 31, 1943
Wood furniture	26, Part I	January 1 to December 31, 1943
Victory chairs	26, Part I, Supp. No. 1	April 1 to December 31, 1943
Steel furniture	26, Part II	January 1 to December 31, 1942 (portion extended to December 31, 1943)
Floor coverings	27, Supp. No. 5	January 1 to September 30, 1943
Floor and window coverings (not obligating the field services of the War Department for certain items).	27, Supp. No. 7	April 15 to September 30, 1943
Books	35	December 1, 1942, to November 30, 1943
Books	35, Supp. No. 2	December 21, 1942, to November 30, 1943
Machine tools (only the following items: 40-M-8, 40-M-9, 40-M-9-100, and 40-P-22 to 40-P-37 incl	40	March 1 to August 31, 1943
Woodworking saws	40, Supp. No. 1	August 15, 1942, to June 30, 1943
Binders	53, Supp. No. 1	February 15, to November 30, 1943
Paper drinking cups	53, Supp. No. 2	July 1, 1942, to June 30, 1943
Office equipment	54	July 1, 1942, to June 30, 1943
Rental, repair, and maintenance of certain office machines.	54, Supp. No. 2	July 1, 1942, to June 30, 1943
Repair and maintenance of typewriters.	54, Supp. No. 2	July 1, 1942, to June 30, 1943
Electric typewriters	54, Supp. No. 5 (issued in Amendment No. 56).	August 1, 1942, to June 30, 1943
Repair and maintenance, etc.	54, Supp. No. 6 (issued in Amendment No. 76).	September 1, 1942, to June 30, 1943
Office equipment	54, Supp. No. 7 (issued in Amendment No. 113).	October 24, 1942, to June 30, 1943
Office equipment	54, Supp. No. 10	December 22, 1942, to June 30, 1943
Copy holders and recording and reproducing machines.	54, Supp. No. 11	February 15 to June 30, 1943
Portable drinking fountains	63, Supp. No. 1	March 1, 1942, to February 28, 1943 (extended to February 29, 1944).
Airplane tires and tubes	83	April 24 to June 30, 1942 (extended to September 30, 1943).
Recording and transcription service	103, Supp. No. 2	September 15, 1942, to August 31, 1943
Quarters furniture		February 1 to June 30, 1943
Household Furniture (Group 1)		January 1 to June 30, 1943

LABOR

Section 81.917 (b) (5) is amended as follows:

§ 81.917 *Applicability.* * * *

(b) The following changes and additions to the regulations referred to in paragraph (a) above have been published.

* * * * *

(5) An exemption from the application of section 1 (d) and section 2 of the basic law has been granted with respect to the employment of girls between the ages of 16 and 18 by contractors in any industry. This exemption became effective November 11, 1942, and applies to all contracts subject to the Walsh-Healey Act, whether executed prior or subsequent to that date. The exemption has the effect of modifying the provisions of the standard representations and stipulations (see § 81.353) whether or not there is contained in the contract a clause similar to that authorized in paragraph (a) of § 81.353. The exemption is subject to the following conditions:

* * * * *

Section 81.918 (a) is amended as follows:

§ 81.918 *General instructions.* (a) The regulations and instructions contained in "Ruling and Interpretations September 29, 1939, Walsh-Healey Public Contracts Act", and amendments thereto, will be complied with by all contracting officers. Chiefs of supply services are responsible for furnishing this publication and a supply of the forms referred to therein to each of their contracting officers. It is no longer necessary to obtain Form PC–1 from the Department of Labor (see § 81.292 (f)).

* * * * * *

RENEGOTIATIONS AND PRICE ADJUSTMENTS

In § 81.1204 paragraph (i) is added as follows:

§ 81.1204 *Exemptions from statutory renegotiation.* * * *

(i) *Exemption from renegotiation in connection with termination settlements.* The chief of any technical service may exempt from renegotiation, or authorize the exemption from renegotiation of, any contract, letter contract, letter purchase order, letter order or letter of intent which has been terminated for the convenience of the Government and any agreement making a negotiated settlement of the whole or any part of the amount due from the Government by reason of the termination of any such instrument, whenever he or his duly authorized representative shal' consider that such settlement agreement will prevent the realization of excessive profits from the performance of any such instrument. The wording of Article 4, subparagraph (3) of the settlement agreement form set forth in § 81.375 will be modified appropriately to reflect any such exemption. In negotiating such settlement agreements contracting officers and other representatives of chiefs of technical services may obtain from the War Department Price Adjustment Board and appropriate price adjustment sections advice relating to such an exemption and any relevent information in the possession of the board or such sections as to the costs and circumstances of the performance of the terminated instrument. The chiefs of the several technical services will take appropriate steps to see that contracting officers and other persons engaged in settlement of terminated contracts coordinate their work with that of the appropriate price adjustment sections and that, where exemption is granted pursuant to this paragraph, consideration in making such settlements is given to the principles set forth by the War Department Price Adjustment Board with respect to the determination of excessive profits, so far as those principles are applicable in any particular case.

In § 81.1313 Article 17 of the contract form is amended as follows:

§ 81.1313 *War Department Contract Form No. 13.* * * *

ART. 17. *Patent licenses.* The Contractor agrees to, and does hereby, in consideration of the terms and in consideration of payments to be made by the Government under this contract, grant unto the Government a non-exclusive, irrevocable, non-transferable, royalty-free license to make, have made, and use for governmental purposes, and to sell or otherwise dispose of in accordance with law, machines, articles or compositions of matter, embodying any and all inventions made or developed in the course of carrying out the work contemplated by this contract whether patented or unpatented, and to practice or cause to be practiced any methods or processes, whether patented or unpatented, which are developed in carrying out the provisions of this contract; *Provided*, That nothing contained in this Article shall impose any obligation upon the Contractor to license or otherwise make available to the Government any invention, method or process, which is not owned or controlled by the Contractor or by the Canadian Government.

* * * * *

[SEAL] J. A. ULIO,
Major General,
The Adjutant General.

[F. R. Doc. 43-9963; Filed, June 21, 1943; 2:16 p. m.]

TITLE 30—MINERAL RESOURCES

Chapter III—Bituminous Coal Division

[Docket No. A-1582]

PART 323—MINIMUM PRICE SCHEDULE, DISTRICT NO. 3

ORDER GRANTING PETITION

NOTE: The following supplement to Docket A-1582 was not filed as part of the original document printed on page 8156 of the issue of June 16, 1943. A copy of the supplement has subsequently been attached to the original document.

PERMANENTLY EFFECTIVE MINIMUM PRICES FOR DISTRICT NO. 3

NOTE: The material contained in this supplement is to be read in the light of the classifications, prices, instructions, exceptions and other provisions contained in Part 323, Minimum Price Schedule No. 1 for District No. 3 and supplements thereto.

FOR ALL SHIPMENTS EXCEPT TRUCK

§ 323.6 *Alphabetical list of code members*—Supplement R

[Alphabetical listing of code members having railway loading facilities, showing price classification by size group No.]

Mine index No.	Code member	Mine name	Seam	Shipping point	Railroad	Freight origin group number	Size group numbers														
							1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
243	Glenn, H. S.	Franklin	Pittsburgh	{Kingmont, W. Va. / Chiefton, W. Va.	{B&O / WM}	56	DE	DE	DE	DE	DE	DE	DF	DF	DF	DF	B	B	B	B	B	B
776	Jackson, J. A.	Sunset	Pittsburgh	Kingmont, W. Va.	B&O	50	DE	DE	DE	DE	DE	DE	DF	DF	DF	DF	B	B	B	B	B	B

NOTE: For railroad fuel prices add these mine index numbers to the respective groups set forth in § 323.8 (b) and § 323.8(c) in Minimum Price Schedule No. 1: Group No. 1: 243, 776.

Freight Origin Group No. 56 will take the same necessary and permissible adjustments as Freight Origin Group No. 50.

[Docket No. A-1567]

PART 328—MINIMUM PRICE SCHEDULE, DISTRICT NO. 8

ORDER GRANTING PETITION

NOTE: The following supplement to Docket A-1567 was not filed as part of the original document printed on page 8158 of the issue of June 16, 1943. A copy of the supplement has subsequently been attached to the original document.

TEMPORARY AND CONDITIONALLY FINAL EFFECTIVE MINIMUM PRICES FOR DISTRICT NO. 8

NOTE: The material contained in this supplement is to be read in the light of the classifications, prices, instructions, exceptions and other provisions contained in Part 328, Minimum Price Schedule for District No. 8 and supplements thereto.

FOR TRUCK SHIPMENTS

§ 328.34 *General prices for high volatile coals in cents per net ton for shipment into all market areas*—Supplement T

Code member index	Mine	Mine Index No.	Seam	Base sizes [1]							
				Lump over 2", egg 4" x 6"	Lump 2" and under, egg 3" x 6"	Lump ¾" and under	Egg 2" x 4", egg 2" x 6"	Stove 3" and under, nut 2" and under	Straight mine run	2" and under, slack	¾" and under, slack
				1	2	3	4	5	6	7	8
SUBDISTRICT NO. 5—LOGAN											
WYOMING COUNTY, W. VA.											
Redyard Coal Company (Nora Redyard).	Huff Mountain	2825	Campbells Creek [1]	275	255	255	250	235	245	215	210
SUBDISTRICT NO. 6—SOUTHERN APPALACHIAN											
BELL COUNTY, KY.											
Premier Jellico Coal Corp., c/o F. W. Smith.	Premier	378	Turner	305	285	240	260	235	230	185	180
KNOX COUNTY, KY.											
Arthur, John M	Morgan	4021	Blue Gem [1]	355	335	255	280	245	245	165	160
Baby Ray Coal Co. (Roy Anderson).	Baby Ray	1637	Blue Gem [1]	355	335	255	280	245	245	165	160
Baker, Taylor	Taylor Baker	1638	Straight Creek [1]	315	295	245	265	235	235	185	180
Carnes, Dock & Cloyd (Dock Carnes).	Carnes	1639	Straight Creek [1]	315	295	245	265	235	235	185	180
Blankenship, Josh	Blankenship	1640	Blue Gem [1]	355	335	255	280	245	245	165	160
Bond, Marcus		1673	Blue Gem [1]	355	335	255	280	245	245	165	160
Bunch, Elbert	Elbert Bunch	1643	Blue Gem [1]	355	335	255	280	245	245	165	160
Buroh, Roscoe	Roscoe Burch	1644	Blue Gem [1]	355	335	255	280	245	245	165	160
Burgin, W. J	Burgin	1645	Blue Gem [1]	355	335	255	280	245	245	165	160
Capses, Charles	Charles Capses	3442	Blue Gem [1]	355	335	255	280	245	245	165	160
Fannon, C. J	C. J. Fannon	1648	Blue Gem [1]	355	335	255	280	245	245	165	160
Fannon, R. R	R. R. Fannon	1649	Blue Gem [1]	355	335	255	280	245	245	165	160
Foley, Joe	Joe Foley	1653	Blue Gem [1]	355	335	255	280	245	245	165	160
France, Roy	France	1634	Straight Creek [1]	315	295	245	265	235	235	185	180
Frazier, Charles	Frazier	4091	Blue Gem [1]	355	335	255	280	245	245	165	160
Fuller, T. S	Fuller	1656	Blue Gem [1]	355	335	255	280	245	245	165	160
Gray, Matt	Gray	1658	Straight Creek [1]	315	295	245	265	235	235	185	180
Gregory, Roger	Gregory	4024	Straight Creek [1]	315	295	245	265	235	235	185	180
Hale, William	Twin Tipple	1662	Blue Gem [1]	355	335	255	280	245	245	165	160
Helton, Amos	Helton	1665	Blue Gem [1]	355	335	255	280	245	245	165	160
Lambert, Lewis	Lambert	3330	Blue Gem [1]	355	335	255	280	245	245	165	160
Lawson, John O	Lawson	1671	Blue Gem [1]	355	335	255	280	245	245	165	160
McWilliams, Herbert	McWilliams	1674	Blue Gem [1]	355	335	255	280	245	245	165	160
Messer, Floyd	Cedar	3552	Blue Gem [1]	355	335	255	280	245	245	165	160
Messer, W. M	Messer	1675	Blue Gem [1]	355	335	255	280	245	245	165	160
Miles, Andrew J	Miles	1676	Blue Gem [1]	355	335	255	280	245	245	165	160
Mills, Sollie	Mills	1678	Blue Gem [1]	355	335	255	280	245	245	165	160
Perkins, G. C	G. C. Perkins	1680	Blue Gem [1]	355	335	255	280	245	245	165	160
Poindexter, Reed	Poindexter	1682	Blue Gem [1]	355	335	255	280	245	245	165	160
Powell, J. G	Powell & Partin	1683	Blue Gem [1]	355	335	255	280	245	245	165	160
Relaford, George	George Relaford	1684	Blue Gem [1]	355	335	255	280	245	245	165	160
Roberts, Calvin	Roberts	1686	Blue Gem [1]	355	335	255	280	245	245	165	160
Shelton, Ed	Earle	3573	Blue Gem [1]	355	335	255	280	245	245	165	160
Stafford, William	Stafford	1690	Blue Gem [1]	355	335	255	280	245	245	165	160
Stewart & Lay (W. S. Lay)	Stewart & Lay	1691	Blue Gem [1]	355	335	255	280	245	245	165	160

§ 328.34 *General prices for high volatile coals in cents per net ton for shipment into all market areas*—Supplement T—Continued.

Code member index	Mine	Mine Index No.	Seam	Base sizes							
				Lump over 2", egg 4" x 6"	Lump 2" and under, egg 3" x 6"	Lump ¾" and under	Egg 2" x 4", egg 2" x 6"	Stove 3" and under, nut 2" and under	Straight mine run	2" and under, slack	¾" and under, slack
				1	2	3	4	5	6	7	8
SUBDISTRICT NO. 6—SOUTHERN APPALACHIAN—Continued.											
KNOX COUNTY, KY.—Con.											
Swafford, Charlie [2]	Cliff	4073	Blue Gem [1]	355	335	255	280	245	245	165	160
Tinsley, Wiley L	Tinsley	3530	Blue Gem	355	335	255	280	245	245	165	160
Tye, Alex	Alex Tye	1692	Blue Gem [1]	355	335	255	280	245	245	165	160
Tye, Wheeler	Tye	1693	Blue Gem [1]	355	335	255	280	245	245	165	160
Van & Son, Henry	Henry Van & Son	1694	Blue Gem [1]	355	335	255	280	245	245	165	160
Wallsend Coal Co., Inc., c/o Charles B. Teasley.	Knox Blue Gem	513	Blue Gem	355	335	255	280	245	245	165	160
Warren, Lee & Jim Smith (Lee Warren).	Roberts	3349	Blue Gem [1]	355	335	255	280	245	245	165	160
Warren, Tip, & John Brown.	Warren & Brown	1696	Blue Gem [1]	355	335	255	280	245	245	165	160
Williams, D. H	Williams	1697	Straight Creek [1]	315	295	245	265	235	235	185	180
Williams, D. H	Stonehouse	4065	Blue Gem [1]	355	335	255	280	245	245	165	160
Williamson Bros. (Hobart Williamson).	Williamson Bros	1698	Straight Creek [1]	315	295	245	265	235	235	185	180
WHITLEY COUNTY, KY.											
Akins, George	Akins	1825	River Gem [1]	295	275	240	250	235	230	165	160
Baker, Dillard	Baker	3290	Blue Gem [1]	355	335	255	280	245	245	165	160
Barton, Alex	Goins	2622	Blue Gem [1]	355	335	255	280	245	245	165	160
Bennett, W. Morton	Bennett	1809	River Gem [1]	295	275	240	250	235	230	165	160
Bryant, Sidney B	Bryant	1831	Blue Gem [1]	355	335	255	280	245	245	165	160
Carr Jellico Coal Co	Carr	1834	Jellico [1]	275	255	245	245	225	235	175	170
Cornelius, H. D	Cornelius	1837	Blue Gem [1]	355	335	255	280	245	245	165	160
Cumberland Bluff Coal Co., Inc. c/o Sam Adkins.	Cumberland Bluff	1858	River Gem [1]	295	275	240	250	235	230	165	160
Eaton, Robert	Eaton's	1843	Blue Gem [1]	355	335	255	280	245	245	165	160
Ellison, Claude	Claude Ellison	1844	Blue Gem [1]	355	335	255	280	245	245	165	160
Ellison, James	Ellison	3521	Blue Gem [1]	355	335	255	280	245	245	165	160
Evans, Albert	Reeves Branch	1845	River Gem [1]	295	275	240	250	235	230	165	160
Faddis, C. E	C. E. Faddis	1846	Blue Gem [1]	355	335	255	280	245	245	165	160
Hatfield, Lewis	Hatfield	2620	Blue Gem [1]	355	335	255	280	245	245	165	160
Jones, Joe L	Jones	1854	Jellico [1]	305	285	245	260	235	235	190	185
Lawson, Arthur A	Wick	1856	River Gem [1]	295	275	240	250	235	230	165	160
Morton, A. M	Morton	1861	River Gem [1]	295	275	240	250	235	230	165	160
Osborne & Partin (James Osborne).	Bunker Hill	1871	Jellico [1]	305	285	245	260	235	235	190	185
Petrey, Eskell	Finley	1881	River Gem [1]	295	275	240	250	235	230	165	160
Philpot, G. G	G. G. Philpot	1867	Blue Gem [1]	355	335	255	280	245	245	165	160
Rogers, Matt	Matt Rogers	1872	Blue Gem [1]	355	335	255	280	245	245	165	160
Siler, John L	J. L. Siler	1877	River Gem [1]	295	275	240	250	235	230	165	160
Stinson, R. C	R. C. Stinson	3221	River Gem [1]	295	275	240	250	235	230	165	160
Thomas, Roy	Thomas	1883	Blue Gem [1]	355	335	255	280	245	245	165	160
Towe, James M	Williams	1865	River Gem	295	275	240	250	235	230	165	160
Wells & Peace (Matt Wells).	Wells & Peace	1888	Blue Gem [1]	355	335	255	280	245	245	165	160
Woods, Tom	Woods	1889	River Gem [1]	295	275	240	250	235	230	165	160
Tye, Harvey	Harvey Tye	1884	Blue Gem	355	335	255	280	245	245	165	160
CLAIBORNE COUNTY, TENN.											
Motch Coal Company, Inc.	Motch	516	Jellico	305	285	240	260	235	230	185	180
Rennebaum Coal Co	Rennebaum	401	Sterling	305	285	240	260	235	230	170	165

[1] Denotes change in seam designation.
[2] Indicates change in price classification from previous price classification for certain size groups.
[3] Indicates correction of county location from Bell County, Kentucky.

Chapter VI—Solid Fuels Administration for War

[Regulation 2]

PART 602—GENERAL ORDERS AND DIRECTIVES

PENNSYLVANIA ANTHRACITE COAL

The marked increase in fuel requirements incident to the wartime economy of the nation threatens shortages and inequitable distribution of certain sizes of anthracite. The following regulation is issued by the Solid Fuels Administrator for War to insure that all communities secure a fair share of the available supplies and to promote the war program.

Sec.

602.11 Definitions.
602.12 Restrictions on shipments by producers and wholesalers.
602.13 Specific directions and orders.
602.14 Region anthracite distribution committees; National Anthracite Distribution Committee.
602.15 Reports.
602.16 Records.
602.17 Audit and inspection.
602.18 Violations.
602.19 Applications for modification and exception; inquiries and communications.

AUTHORITY: §§ 602.11 to 602.19, incl., issued under E.O. 9332, 8 F.R. 5355; E.O. 9125, 7 F.R. 2719; sec. 2(a) Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.

§ 602.11 *Definitions.* For purposes of this regulation:

(a) "Anthracite" means that coal generally referred to as Pennsylvania anthracite and which is produced in the following counties in Pennsylvania: Carbon, Columbia, Dauphin, Lebanon, Lackawanna, Luzerne, Northumberland, Schuylkill, Susquehanna, and Wayne.

(b) "Person" means any individual, partnership, association, business trust, corporation, Governmental corporation or agency or any organized group of persons, whether or not incorporated.

(c) "Producer" means all persons engaged in the business of mining or preparing anthracite.

(d) "Wholesaler" means all persons who purchase any amount of anthracite for resale to persons other than the ultimate consumers of such coal, and includes dock operators to the extent that they purchase such coal for resale to persons other than the ultimate consumers thereof.

(e) "Retail dealer" means all persons who sell anthracite to ultimate consumers and to unequipped dealers.

(f) "Ultimate consumer" means all persons who use anthracite for space heating, hot water heating, cooking, or household uses.

(g) "Destination" means any city, town, village, or community: *Provided, however,* That for rail and truck shipments (including carfloat shipments) to New York, each of the five boroughs thereof shall be treated as a separate destination.

(h) "Base period" means the period from April 1, 1942, through August 31, 1942.

§ 602.12 *Restrictions on shipments by producers and wholesalers.* (a) This section shall apply only to anthracite in the egg, stove, chestnut, and pea sizes.

(b) All producers and wholesalers who ship coal by rail or water shall immediately arrange their distribution schedules so that, by September 1, 1943, they shall, so far as is practicable, and to the extent orders are received, have supplied by all methods of transportation to the same destinations to which their coals were shipped during the base period, not less than 100 percent of the tonnages of anthracite shipped to such destinations during the base period, or five-twelfths of the tonnages shipped to such destination during the period April 1, 1942, to March 31, 1943, whichever is larger. In order to accomplish this program, producers and wholesalers may disregard the sequence of orders on hand and shall afford such preference as may be necessary, to orders from destinations which are not receiving the same proportions of tonnages (as compared with other destinations) which they received during the base period. Furthermore, producers and wholesalers shall, so far as practicable, and to the extent such producers and wholesalers provide for distribution to retail dealers, maintain the same relative proportion of shipments to such retail dealers as existed during the period April 1, 1942, to March 31, 1943: *Provided, however,* That if, in any case, because of a decrease in production or a reduction in tonnages available to any wholesaler, it becomes impossible for any producer or wholesaler to maintain the quotas heretofore described, tonnages shipped, by September 1, 1943, shall be apportioned among the same destinations, as nearly as practicable, in the same proportions as during the base period. All shipments of anthracite by producers and wholesalers shall be made with a view toward accomplishing the aforesaid program, and all shipments of such coals inconsistent with the foregoing are hereby prohibited.

§ 602.13 *Specific directions and orders.* The foregoing provisions are subject to specific directions and orders which may, from time to time, be issued by the Solid Fuels Administrator for War, and to that extent, such directions and orders shall supersede the provisions of this regulation. Nothing contained in this regulation shall be deemed to preclude any action by the Solid Fuels Administrator for War under Solid Fuels Administration for War Regulation No. 1.

§ 602.14 *Regional anthracite distribution committees; National Anthracite Distribution Committee.* (a) A regional anthracite distribution committee is hereby created for each of the regions defined and set forth in Appendix A, attached hereto, and made a part hereof, for the purpose of advising with and making recommendations to the Solid Fuels Administrator for War with reference to the administration of the provisions of this regulation for their respective regions. Each such committee shall consist of two producers, one wholesaler, and two retail dealers, to be appointed by the Solid Fuels Administrator for War.

(b) There is hereby created a National Anthracite Distribution Committee, to be composed of the Solid Fuels Administrator for War (or his representative or representatives), and the following representatives to be appointed by the Solid Fuels Administrator for War: One representative from each of the three anthracite producing regions, two wholesalers, three retail dealers, and any other members the Solid Fuels Administrator for War may appoint. This committee shall advise and make recommendations as to matters of general policy and administration.

§ 602.15 *Reports.* Each person participating in any transaction to which any portion of this regulation applies shall execute and file with the Solid Fuels Administration for War such reports and questionnaires as said office shall from time to time require.

§ 602.16 *Records.* Each person participating in any transaction to which any portion of this regulation applies shall keep and preserve accurate and complete records of coals to which any portion of the regulation relates, and of the details of all transactions in such coals.

§ 602.17 *Audit and inspection.* All records required to be kept by this regulation shall, upon request be submitted to inspection and audit by duly authorized representatives of the Solid Fuels Administration for War.

§ 602.18 *Violations.* Any person who wilfully violates any provision of this regulation or any provision of any direction issued pursuant to this regulation or who, by any act or omission, falsifies records kept or information furnished in connection with this regulation or any direction issued pursuant to this regulation is guilty of a crime and upon conviction may be punished by fine and imprisonment. Any person who wilfully violates any provision of this regulation or any direction issued pursuant to this regulation may be prohibited from delivering or receiving any material under priority control, or such other action may be taken as is deemed appropriate.

§ 602.19 *Applications for modification and exception; inquiries and communications.* (a) Any applications for modification of or exception from any provisions of this regulation shall be filed in triplicate with the Washington Office of the Solid Fuels Administration for War. The application shall set forth, in detail, the provisions sought to be modified or from which an exception is sought, and the reasons and data in support of such modification or exception.

(b) All complaints, inquiries, and communications with reference to the administration of this regulation shall be addressed to the Solid Fuels Administration for War, Department of the Interior, Washington, D. C.

This regulation shall take effect at 12:01 a. m. on June 22, 1943.

Issued this 19th day of June 1943.

HAROLD L. ICKES,
Administrator.

APPENDIX A

Regional distribution anthracite committees shall be established for each of the following regions:

(a) Region No. 1: New York City (excluding Richmond County), and Westchester, Nassau, and Suffolk Counties;

(b) Region No. 2: State of New York, excluding that portion of the state described in paragraphs (a) and (c);

(c) Region No. 3: State of New Jersey and Richmond County, New York;

(d) Region No. 4: Pennsylvania;

(e) Region No. 5: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont;

(f) Region No. 6: Delaware, Maryland, District of Columbia, and that portion of the United States east of the Mississippi and south of the Ohio Rivers.

The National Anthracite Distribution Committee shall make recommendations to the Solid Fuels Administrator for War with reference to the administrator of the provisions of this regulation for the remaining portions of the United States and Canada.

[F. R. Doc. 43-10020; Filed, June 22, 1943; 12:13 p. m.]

TITLE 32—NATIONAL DEFENSE

Chapter IX—War Production Board

Subchapter B—Executive Vice Chairman

AUTHORITY: Regulations in this subchapter issued under P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.

PART 3270—CONTAINERS [1]

[Limitation Order L-239 as Amended June 22, 1943]

FOLDING AND SET-UP BOXES

The fulfillment of requirements for the defense of the United States has created shortages in the supply of materials entering into the production of folding and set-up boxes for defense, for private account, and for export; and the following order is deemed necessary and appropriate in the public interest and to promote the national defense:

§ 3270.29 *Limitation Order L-239*—(a) *Definitions.* (1) "Folding box" means any collapsible container, or part thereof, made of paper or paperboard, excepting solid fibre or corrugated shipping containers not made on folding box machinery.

(2) "Blank" means any sheet of paper or paperboard, cut to shape and creased or scored for the purpose of being used as a box or part thereof.

(3) "Set-up box" means a non-collapsible or rigid container, or part thereof, made of paper or paperboard, excepting cups, pails, and solid fibre or corrugated shipping containers not made on set-up box machinery.

(4) "Pail" means a wedge shaped, folded, liquid-tight, paper container.

(5) "Box" unless otherwise specified, includes blanks, folding boxes, set-up boxes, pails and parts thereof.

(6) "Work in process" means any material for physical incorporation in boxes, on which actual box making operations have been started. No preparatory work such as art work, engravings, electrotypes, dies, or forms shall be deemed "work in process".

(7) "Virgin wood pulp" means pulp manufactured either by mechanical or chemical means from coniferous or broadleaf trees.

(8) "Gage list" means any gage list set forth in United States Department of Commerce Simplified Practice Recommendation R44-36 entitled "Box Board Thickness".

(9) "Multiple container" means a box containing a number of separately packaged items of the same commodity.

(b) *General restrictions*—(1) *Restrictions on use of metal.* No person shall manufacture or incorporate in the manufacture of boxes:

(i) Any metal bails or metal handles for boxes, or

(ii) Metal mailing clips or fasteners for boxes customarily known as mailing containers.

(2) *Restrictions on manufacture of seasonal boxes and sleeves.* No person shall manufacture:

(i) Any box for seasonal or other special purpose having a greater pulp content or area or weight of paper or paperboard than contained in the usual commercial box for like contents.

(ii) Any sleeves or extra containers for seasonal or other special purposes unless also required for the usual commercial box for like contents.

(iii) *Exception.* The restrictions of paragraphs (b) (2) (i) and (ii) shall not apply to boxes in which are packed two or more commodities usually separately packed, except to the extent that said paragraphs (b) (2) (i) and (ii) are made applicable by any schedule.

(3) *Restrictions on dummy boxes.* No person shall manufacture any commercial display box simulating a package and not intended for packaging purposes, or use for display purposes, any box not previously used for packaging.

(4) *Restrictions imposed by separate schedules.* All persons shall observe the restrictions and other provisions which are and may be imposed from time to time by the War Production Board in all schedules hereto, all of which shall be parts of this order. No person shall manufacture or commercially use any box in violation of any provision of this order. No person shall manufacture, sell, or deliver any box which he knows or has reason to believe will be used in violation of any provision of this order.

(5) *Restrictions on manufacture of boxes from virgin wood pulp.* No person shall manufacture any box from any of the following grades of paperboard listed in United States Department of Commerce Simplified Practice Recommendation R44-36 if any virgin wood pulp is contained in any of such paperboard: plain chipboard, filled news board, single news vat-lined chip, bending chip board, colored suit box chip back, solid jute, cracker shell board, or solid news.

(6) *Restriction on certain pulp liners.* Except as otherwise provided in this paragraph, no person shall commercially use, on the inside surface of any folding box, any liner made (a) from virgin wood pulp or (b) from any waste paper (including, but not limited to, white cuttings and manila cuttings) which can be processed to simulate the appearance of a virgin wood pulp liner. This restriction shall not apply to boxes made from solid or filled kraft paperboard (with or without liners) or from paperboard single- or double-lined with kraft. It also shall not apply to folding boxes designed for packaging the following products:

(i) Wet or oily foods;

(ii) Any other product determined by the War Production Board as requiring such lining to insure its delivery in merchantable condition to the ultimate consumer. Application for such determination may be made by the prospective packager by letter stating the pertinent facts.

(7) *Restriction on kraft board and kraft liners.* Except as otherwise provided in this paragraph, on and after June 22, 1943, no person shall manufacture any folding box from solid or filled kraft paperboard (with or without liners) or from other paperboard single- or double-lined with kraft. This restriction shall not apply to boxes designed for use as outer containers in parcel post or express shipments. It shall also not apply to folding boxes designed for packaging the following products:

(i) Products containing 25% or more, of metal, by weight;

(ii) Any other product or material determined by the War Production Board as requiring the protective strength of such paperboard because of its weight, design, fragility, or method of packing or shipment. Application for such determination may be made by the prospective packager by letter stating the pertinent facts.

(c) *Exceptions*—(1) *Material completed or in process.* (i) No restriction hereof shall apply to boxes completely manufactured or made from work in process prior to the effective date of such restriction.

(ii) Where any restriction hereof limits the type, grade, or quality of paperboard which may be used in manufacturing any box, such restriction shall not apply to the use of any paperboard manufactured prior to the effective date of such restriction.

(iii) Where any restriction hereof limits the use of sheet-lined paperboard in manufacturing any box, such restriction shall not apply to the use of any paperboard sheet-lined prior to the effective date of such restriction.

(2) *Boxes for certain Government agencies.* The restrictions of this order shall not apply to boxes manufactured to meet the packaging specifications of, and delivered to or for the account of, the United States Army, Navy, Maritime Commission, War Shipping Administration, or any agency imposing such speci-

[1] Formerly § 3162.1, Part 3162.

fications for material to be delivered under the Act of Congress of March 11, 1941, entitled "An Act for the Defense of the United States" (Lend-Lease Act).

(d) *Applicability of priorities regulations.* This order and all transactions affected thereby are subject to all applicable provisions of the priorities regulations of the War Production Board, as amended from time to time.

(e) *Appeals.* Any appeal from the provisions of this order shall be made by filing a letter in triplicate, referring to the particular provision appealed from and stating fully the grounds for appeal.

(f) *Records.* All persons affected by this order shall keep for at least two years records concerning inventory, production, purchases and sales, and shall make reports on same if required.

(g) *Communications.* All reports required to be filed hereunder and all communications concerning this order or any schedule issued supplementary hereto shall, unless otherwise directed, be addressed to War Production Board, Containers Division, Washington, D. C., Ref. L-239.

(h) *Violations.* Any person who wilfully violates any provision of this order, or who, in connection with this order, wilfully conceals a material fact or furnishes false information to any department or agency of the United States is guilty of a crime, and upon conviction, may be punished by fine or imprisonment. In addition, any such person may be prohibited from making or obtaining further deliveries of, or from processing or using, material under priority control and may be deprived of priorities assistance.

Issued this 22d day of June 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

SCHEDULE I—FOOD BOXES

Table I—Butter, lard, oleomargarine and similar boxes. (a) No person shall manufacture any box for packaging butter, lard, oleomargarine, or similar products with a content capacity of less than one pound.

Table II—Ice cream boxes. (a) No person shall manufacture any box for direct fill factory packed ice cream except with content capacities of one pint, one quart, two gallons or larger than two gallons.

Table III—Crackers and baked goods boxes—(a) *Terms.* (1) Crackers and baked goods mean products of the biscuit, cracker and pretzel industry.

(2) Crackers and baked goods caddies mean paperboard containers for dispensing crackers and other baked goods in bulk.

(3) Cubic inch capacity of formed cartons is calculated on center to center of score line dimensions.

(b) *Restrictions on packing crackers and baked goods.* The following restrictions shall be observed in the packing of crackers and baked goods:

(1) Crackers, cookies or biscuits shall be packed not less than six bags, packets, or rolls to a folding or set-up box.

(2) Single caddies and double caddies made from folding or set-up boxboard shall be filled to normal capacity, regardless of weight or count of contents.

(c) *No person shall manufacture any box for packaging crackers or baked goods exceeding the following maximum specifications:*

(1) No end flaps on seal end cartons shall be more than ½ the width of the carton plus ½", excepting that flaps on cartons for ground products (such as cracker meal) may be full width.

(2) (i) Tuck on carton having cover flap 5" or less in length shall not exceed ⅞" from the center of score line to edge of tuck.

(ii) Tuck on carton having cover flap over 5" in length shall not exceed one inch from center of score line to edge of tuck.

(3) Length of side flaps on tuck flap cartons shall not exceed ½ of the width of carton from front to back, plus ½ of the closure tuck flap, as provided by paragraphs (c) (2), (i) and (ii).

(4) (i) Single caddies of folding or set-up boxboard for bulk goods shall not have openings less than 10" x 10".

(ii) Double caddies of folding or set-up boxboard for bulk goods shall not have openings less than 10" x 20"

(iii) No single or double folding or set-up boxboard caddies for bulk goods shall be less than 6½" in depth, excepting that fruit-filled bars, sandwich varieties and shortbreads may be packed in caddies not less than 4⅜" in depth.

(iv) Single caddies of folding or set-up boxboard shall be no thicker than 053.

(v) Double caddies of folding or set-up boxboard shall be no thicker than .060.

(5) (i) Layer boards, strips, dividers and nestings of folding or set-up boxboard (non-virgin wood pulp) for bulk receptacles shall not exceed basis 100 sheets per 50 lb. bundle, excepting that divider strips for fruit-filled bars shall not exceed basis 50 sheets per 50 lb. bundle.

(ii) Layer boards, strips, dividers and nestings made from wood pulp board for bulk receptables shall not exceed basis 100 sheets per 50 lb. bundle.

(iii) Nests for single caddies made from virgin wood pulp board shall not exceed .024 in thickness.

(iv) Nests for double caddies made from virgin wood pulp board shall not exceed .026 in thickness.

(v) Layers, strips, dividers and nestings for cellophane bags, glassine bags, paper bags, packets, tray packages and boats if made from laminated stock shall not exceed .022 in thickness; if made from other than laminated stock shall not exceed basis 90 sheets per 50 lb. bundle.

(6) Paperboard for packets, trays and boats shall not exceed .022 in thickness.

(7) Basis weight of board for cracker shell type cartons shall not exceed the following:

Cubic inch capacity of formed cartons	Legend weight up to and including	Weight per thousand square feet	Caliper
Up to 50	8 oz	72	See Gage List No. 2
51 to 150	12 oz	80	
151 to 200	1 lb	85	
201 to 250	2 lb	90	
251 and up	Over 2 lb	96	

(8) Basis weight and caliper of board with printing surface, such as single manila lined and bleached manila lined boards used for printed cartons shall not exceed the following:

Cubic inch capacity of formed cartons	Legend weight up to and including	Weight per thousand square feet	Caliper
Up to 50	8 oz	80	See Gage List No. 2
51 to 150	12 oz	85	
151 to 200	1 lb	90	
201 to 250	2 lb	96	
251 and up	Over 2 lb	103	

(9) Basis weight and caliper of board with printing surface such as patent coated news back board used for printing cartons shall not exceed the following:

Cubic inch capacity of formed cartons	Legend weight up to and including	Weight per thousand square feet	Caliper
Up to 50	8 oz	82	See Gage List No. 6.
51 to 150	12 oz	88	
151 to 200	1 lb	96	
201 to 250	2 lb	104	
251 and up	Over 2 lb	112	

(10) Basis weight and caliper of board in paragraphs (c) (7), (8) and (9) shall be based on the cubic inch capacity of the formed carton or the legend weight, whichever is greater.

(11) Caliper of board for single sale unit boxes made of laminated stock in one pound or up to and including two pound sizes shall not exceed .030 in thickness.

(12) Flanges on telescope covers of laminated single and double size caddies shall not exceed 2" in depth.

(13) Printing designs shall not extend (bleed) over carton edges if such extension (bleed) causes an excess use of paperboard through the use of double knives or otherwise.

(14) Cracker caddies in carload lots shall be mill tied, knocked down flat, not wrapped.

SCHEDULE II—BEVERAGE AND TOBACCO BOXES

NOTE: Table I amended; Table II added June 22, 1943.

Table I—Beverage boxes. (a) *Definition.* "Beverage" means any alcoholic or non-alcoholic beverage, exclusive of medicinal preparations.

(b) *Box prohibition.* On and after June 22, 1943, no person shall manufacture any type of folding or set-up paperboard box for packaging bottled beverages. This includes, but is not limited to, boxes designed for conveying bottled beverages from bottlers to distributors and boxes, including those known as "bottle carry-outs", designed for the consumer's use in conveying bottled beverages from the distributor. This restriction does not apply to solid fiber or corrugated shipping containers.

Table II—Cigarette wrappers and boxes. (a) *Wrappers.* On and after June 22, 1943, no printed wrappers for 20s cuptype cigarette packages shall be made of paper heavier than as specified below (weight to be computed on the basis of 500 25" x 38" sheets per ream):

Cigarette size	Maximum paper weight	
	Uncoated	Coated
Standard	60 lb.	65 lb.
King	65 lb.	70 lb.

(b) *Cigarette boxes.* (1) On and after June 22, 1943, no 20s/200s-size cigarette box shall be made from paperboard thicker than .018 caliper.

(2) Such boxes in carload lots shall be mill tied, knocked down flat, not wrapped.

SCHEDULE III—RETAIL BOXES

NOTE: Tables I, II, III amended, June 22, 1943.

Table I—General restrictions on retail boxes. (a) *Definition:* Retail box means any box furnished directly or indirectly by a retailer for packaging merchandise for retail distribution, excepting parcel post boxes and boxes for packaging foods, drugs, medicinal supplies or custom jewelry.

(b) *Quota restriction.* During the calendar year 1943, and during each succeeding calendar year, no person shall put in process for the manufacture of retail boxes more than 65% of the tonnage of paperboard he put in process for the manufacture of retail boxes during the whole of 1941.

(c) No person shall knowingly manufacture boxes for sale at retail as empty boxes.

Table II—Restrictions on retail set-up boxes. (a) No person shall manufacture any retail set-up boxes exceeding the following maximum specifications, provided that retail set-up boxes of sizes other than specified below may be manufactured if the material used is not of heavier weight than that permitted for the size box having the nearest higher area in square inches:

Length		Size width		Depth	Lid depth	Paperboard shall not be heavier than regular number 50 lbs. bundles (sheets per bundle)
2	x	2	x	2	2	65
2½	x	1⅝	x	¾	¾	65
3	x	2⅛	x	1	⅝	65
3½	x	3½	x	1	⅝	65
4	x	4	x	2	¾	65
4	x	4	x	4	1	60
4½	x	1	x	1	1	65
4⅞	x	4	x	⅝	⅝	65
5	x	3½	x	1½	9/16	65
5	x	5	x	2	¾	65
5½	x	5½	x	4	1	60
6	x	3	x	2	¾	65
6	x	4½	x	2½	1	65
6	x	6	x	3	1	60
6½	x	1½	x	1½	9/16	65
6½	x	6½	x	½	½	65
6½	x	6½	x	4	1	60
6½	x	6½	x	6	1¼	55
7	x	6	x	2	2	65
7⅜	x	7⅜	x	½	½	65
7½	x	5½	x	3½	1	60
8	x	3	x	¾	¾	65
8	x	5½	x	1½	1½	65
8	x	8	x	2½	1⅛	60
8	x	8	x	4	1	65
8	x	8	x	8	1¼	50
9	x	3	x	3	1	60
9	x	6	x	3	1	60
9½	x	6¼	x	⅝	⅝	65
9½	x	6¼	x	1	1	65
9½	x	6¼	x	1½	1½	65
10	x	3½	x	2	2	65
10	x	6	x	6	1¼	50
10	x	7	x	2	2	65
10	x	10	x	⅝	⅝	60
10	x	10	x	4	1¼	50
10	x	10	x	5½	1¼	50
10	x	10	x	10	2½	50
10½	x	7½	x	1¼	1¼	65
10½	x	10	x	1	1	60
10½	x	10	x	1½	1½	60
10½	x	10	x	2½	1⅛	60
11	x	4½	x	1	1	65
11½	x	5¾	x	3½	1	60
11½	x	8½	x	1⅝	1⅝	60
11½	x	8½	x	2¾	1⅛	60
12	x	8	x	8	2	50
12	x	12	x	1	1	60
12	x	12	x	2	2	60
12	x	12	x	4	1	50
12	x	12	x	6	1¼	50
12	x	12	x	10	2	45
12½	x	6½	x	4	1	60
12½	x	9½	x	2½	1⅛	60
13	x	4	x	⅝	⅝	65
13	x	4	x	1	1	65
13	x	6	x	6	1¼	50
14	x	10	x	1¼	1¼	60
14	x	14	x	8	2	45
14½	x	8	x	8	2	45
15	x	11	x	2	2	50
16	x	16	x	2½	2½	50
17	x	11	x	2½	2½	50
18	x	7	x	1½	1½	50
18	x	10	x	1½	1½	50
18	x	13	x	3	1¼	50
18½	x	7½	x	5	2	50
20	x	18	x	5	2	45
22	x	12	x	3½	1¼	50
23	x	14	x	4	1¼	50
24	x	20	x	6	2	40
26	x	2	x	2	1	60
26	x	4	x	1¾	⅞	50
30	x	4	x	1¾	⅞	50
36	x	5½	x	1¾	⅞	50

(b) *Material for retail set-up boxes.* No person shall incorporate in any retail set-up boxes:

(1) Any grade or quality of paperboard higher than solid news No. 2 finish, Gage List No. 3, or

(2) Any bottom paper if the box is strip wrapped, or

(3) Any lining other than news vat lining on the side of the board forming inside of the blank, or

(4) Any metal.

Table III—Restrictions on retail folding boxes. (a) No folding retail box for packaging wearing apparel (exclusive of shoes) or flowers shall contain any metal nor any grade of paperboard other than (1) the grades, without virgin wood pulp, listed in paragraph (b) (5) of this Order L-239 or (2) mist-colored suit box board containing no more virgin wood pulp than is required to create the mist effect.

(b) *Exception for merchandise folders.* Notwithstanding the restrictions of paragraph (b) (5) of Order L-239 and of paragraph (a) of this Table, a virgin wood pulp liner may be used on the outside of any merchandise folder made in conformity with the following specifications:

(1) *Style.* One-piece style only, with lock closures and without metal clasps.

(2) *Sizes.* Total over-all area of blank no larger than 600 square inches.

(3) *Paper grade.* Paperboard of no grade or quality better than clay coated.

(4) *Caliper.* Caliper of paperboard not to exceed the caliper specified below for the particular size:

Blank size (over-all area) (1)	Maximum caliper (2)
Under 200 sq. in	.020
200-400 sq. in., incl	.022
Over 400 sq. in. but not over 600 sq. in	.024

SCHEDULE IV—BOXES FOR PAPER PRODUCTS

Table I—Envelope boxes. (a) (1) No person shall use in the manufacture of any set-up envelope box:

(i) Any paperboard of a quality better than bending chip board or news vat lined chip, No. 2 finish, Gage List No. 2 if cover paper is used; if cover paper is not used the quality of the paperboard shall not be better than patent coated news back, or

(ii) Any sheet lined board, or

(iii) Any paperboard of a weight in excess of the maximum shown below (25" x 40"—50 lbs. per bundle), which weight shall be specified by the envelope manufacturer or packer:

	Sheets per bundle
Envelopes 14" half perimeter and less	60
Envelopes over 14" half perimeter and not exceeding 18" half perimeter	55
Envelopes over 18" half perimeter	40

(2) No envelope box shall be double stripped on either box or cover, or have incorporated therein any metal.

(b) No person shall manufacture any folding box for envelopes from paperboard of better quality than patent coated news back without sheet lining, nor of greater weight per box than required for an equivalent cubical content set-up box.

Table II—Papeterie boxes. (a) (1) No person shall use in the manufacture of any set-up box for papeteries:

(i) Any paperboard better than bending chip board or news vat lined chip, No. 2 finish, Gage List No. 2, if cover paper is used: *Provided, however,* That white wood vat lined board may be used in the covers and lids of hinge-style boxes; if cover paper is not used the quality of the paperboard shall not be better than patent coated news back.

(ii) Any paperboard of count in excess of the maximums shown below: (25" x 40"—50 lbs. per bundle).

Boxes containing 23 envelopes or less with corresponding note paper and/or cards—60 sheets per bundle;

Boxes containing from 24 to 72 (inclusive) envelopes with corresponding note paper and/or cards—50 sheets per bundle;

Boxes containing more than 72 envelopes with corresponding note paper and/or cards—40 sheets per bundle.

(iii) Any sheet lined board, metal, or more than double stripping.

(2) No person shall manufacture any folding box for papeteries from paperboard of higher quality than patent coated news back without sheet lining, nor of greater weight per box than required for an equivalent cubical content set-up box, nor incorporate any metal in any such folding box.

(3) No folding or set-up box for papeteries shall be made or equipped with: (i) base or cover caps, flanges, non-paper coverings, padded tops, projections, or shoulders; (ii) attached or unattached interior parts (such as dividers, drawers or slides, or partitions); or (iii) false work (such as false bottoms, ends, sides, traps, or decks): *Provided, however,* That any such box for 24 or more envelopes with note paper and/or cards of corresponding size may be made or equipped with false work (other than false bottoms, ends, or sides) which does not enclose more than ¼ of the volume of the box.

Table III—Waxed paper cutter boxes. (a) No person shall manufacture any cutter boxes for packaging rolls of waxed paper excepting in accordance with the following maximum specifications:

(1) Box dimensions: 2 11/16 x 2 11/16 x 12⅜ inches.

(2) Quality of paperboard: no higher than bleached manila lined news basis 70 sheets per 50 lb. bundle.

Table IV—Roll toilet tissue. (a) No person shall manufacture any boxes for packaging roll toilet tissue.

SCHEDULE V—SPORTING GOODS BOXES

Table 1—Golf, tennis, baseball, football, volley ball and basket ball boxes. (a) No person shall manufacture any box for packaging less than twelve (12) golf, tennis or baseballs or incorporate in the manufacture of any such box metal or sheet lining, or paperboard exceeding in area or weight the paperboard required for a full telescope set-up box without projecting edges or dividers, basis sixty (60) sheets per 50 lb. bundle.

(b) No person shall manufacture any box for packaging inflated footballs, volley balls or basket balls, or incorporate in any such box paperboard exceeding in area or weight the paperboard required for a full telescope set-up box without projecting edges, basis sixty (60) sheets per 50 lb. bundle.

SCHEDULE VI—WEARING APPAREL BOXES

NOTE: Tables II and III added June 22, 1943.

Table I—Work shirt boxes. (a) No box shall be made for packaging less than six (6) work shirts. No such box shall be of any type other than that commonly known as a folder and made from paperboard of a quality no better than bleached manila lined news.

Table II—Accessories boxes. (a) *Minimum size.* On and after June 22, 1943, no box for packaging any of the following items of men's or boys' wearing apparel shall be designed to contain less than 6 units of that item: belts, garters (pairs), suspenders.

Table III—Rubber-heel boxes. (a) *Minimum size.* On and after June 22, 1943, no box for packaging rubber heels shall be designed to contain less than 6 pairs of heels. No such box shall be made of paperboard

thicker than .024 caliper or better in quality than bleached manila lined news.

SCHEDULE VII—LAUNDRY BOXES

Table I—Laundry boxes. (a) No box for packaging laundry shall be made from any grade of paperboard other than the grades, without virgin wood pulp, listed in paragraph (b) (5) of this Order L–239.

[F. R. Doc. 43–10014; Filed, June 22, 1943; 11:56 a. m.]

PART 1010—SUSPENSION ORDERS

[Suspension Order S–302]

DORNOIL PRODUCTS CO.

Dornoil Products Company, 290 Halsey Street, Newark, New Jersey, is a corporation engaged in the marketing of motor fuel in the New Jersey area. During the months of April, May and June, 1942, Dornoil Products Company made deliveries of 1,425,048 gallons of motor fuel to 46 service stations, which was 594,534 gallons, or 71.3 percent, in excess of the amount permitted to be delivered to these service stations in accordance with the provisions of Limitation Order L–70, without the benefit of any adjustments permitted by the order. These deliveries were made pursuant to quotas established by Dornoil Products Company based upon upward adjustments of normal gallonage which the Company believed it was entitled to make for each service station under paragraph (e) of Limitation Order L–70. It has been determined, however, that the upward adjustments of normal gallonage made by Dornoil Products Company for each of these service stations, which adjustments consistently increased the quotas of the stations, were either clearly not justifiable under paragraph (e), were not substantiated by facts or were so estimated as to be unreasonably excessive.

During the above period, Dornoil Products Company was fully familiar with the provisions of Limitation Order L–70. The large excess deliveries of motor fuel were made, therefore, by the Dornoil Products Company in such reckless disregard of the terms of Limitation Order L–70 as to constitute wilful violations thereof. These wilful violations have hampered and impeded the war effort of the United States by distributing motor fuel to service stations in a manner unauthorized by the War Production Board. In view of the foregoing facts; *It is hereby ordered,* That:

§ 1010.302 *Suspension order No. S–302.* (a) Dornoil Products Company, its successors or assigns, shall not, directly or indirectly, sell, transfer, deliver or cause to be delivered through its equipment or otherwise any motor fuel, as defined in Limitation Order L–70, to any service station.

(b) Nothing contained in this order shall be deemed to relieve Dornoil Products Company, its successors or assigns, from any restriction, prohibition or provision contained in any other order or regulation of the War Production Board except in so far as the same may be inconsistent with the provisions hereof.

(c) This order shall take effect on June 24, 1943, and shall expire on September 24, 1943, at which time the restrictions contained in this order shall be of no further effect.

Issued this 22d day of June 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 43–10024; Filed, June 22, 1943; 5:00 p. m.]

PART 1010—SUSPENSION ORDERS

[Suspension Order S–342]

BELLEVILLE PATTERN AND MATCHPLATE CO.

C. W. Schmitz and Al Gansmann were co-partners doing business as Belleville Pattern and Matchplate Company, at 18 South 12th Street, Belleville, Illinois, and were engaged in the business of producing aluminum castings, patterns and matchplates. Between January 7, 1942, and September 25, 1942, they melted approximately 3,400 pounds of aluminum scrap without authorization of the War Production Board in violation of Supplementary Order M–1–d. From January 23, 1942, to October 17, 1942, they delivered aluminum matchplates and patterns without certifications from the customer that they would be used in the fulfillment of orders bearing priority ratings of A–1 or higher, in violation of Supplementary Order M–1–e and Supplementary Order M–1–i. Moreover, they delivered approximately 520 pounds of aluminum castings between January 23, 1942, and October 17, 1942, for articles not permitted by the provisions of Supplementary Order M–1–e, in violation of that order. During the period from February 17, 1942, to September 25, 1942, they shipped and delivered approximately 3,000 pounds of castings, matchplates, and other miscellaneous aluminum products without any allocation from the War Production Board, in violation of Supplementary Order M–1–f. The respondents knew of these orders and were advised repeatedly by the War Production Board that they must conform to them, but in order to expedite their deliveries they knowingly failed to comply with the requirements of these orders. Such actions constitute wilful violations of Supplementary Order M–1–d, Supplementary Order M–1–e, Supplementary Order M–1–f, and Supplementary Order M–1–i; they have impeded and hampered the war effort of the United States. In view of the foregoing: *It is hereby ordered,* That:

§ 1010.342 *Suspension Order No. S–342.* (a) C. W. Schmitz and Al Gansmann doing business as Belleville Pattern and Matchplate Company, or under any other name, jointly, separately or otherwise, their successors and assigns, shall not, directly or indirectly, receive, process, use, fabricate, assemble or melt any aluminum or aluminum scrap, as said term is defined in Supplementary Order M–1–b as amended, unless hereafter specifically authorized in writing by the War Production Board.

(b) Delivery of materials to C. W. Schmitz and Al Gansmann doing business as Belleville Pattern and Matchplate Company, or under any other name, whether jointly, separately, or otherwise, their successors and assigns, shall not be accorded priority over deliveries under any other contract or order, and no preference rating shall be assigned, applied or extended to such deliveries by means of preference rating certificates, preference rating orders, general preference orders, or any other orders or regulations of the War Production Board, unless hereafter specifically authorized in writing by the War Production Board.

(c) No allocation or allotment shall be made to C. W. Schmitz and Al Gansmann doing business as Belleville Pattern and Matchplate Company, or under any other name, whether jointly, separately, or otherwise, their successors or assigns, of any materials the supply or distribution of which is governed by any order of the War Production Board, unless hereafter specifically authorized in writing by the War Production Board.

(d) The provisions of this order shall not be applicable to the receipt, use, processing or delivering of aluminum in any form, provided the same is essential in the filling of orders bearing preference ratings of AA–2X or higher.

(e) Nothing contained in this order shall be deemed to relieve C. W. Schmitz and Al Gansmann doing business as Belleville Pattern and Matchplate Company, or under any other name, jointly, separately or otherwise, their successors or assigns, from any restriction, prohibition, or provision contained in any other order or regulation of the War Production Board, except in so far as the same may be inconsistent with the provisions hereof.

(f) This order shall take effect June 24, 1943, and shall expire on October 24, 1943, at which time the restrictions contained in this order shall be of no further effect.

Issued this 22d day of June 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 43–10025; Filed, June 22, 1943; 5:00 p. m.]

PART 1010—SUSPENSION ORDERS

[Suspension Order S–352]

DANIEL KAUFMAN

Daniel Kaufman, Lancaster, Pennsylvania, is engaged in the business of buying and selling metal scrap. During the period from March 10, 1942, to February 11, 1943, respondent accepted delivery of copper and copper base alloy scrap in substantial amounts and on the occasion of each delivery he had not, during the preceding sixty days, sold or otherwise disposed of scrap to an amount at least equal in weight to his scrap inventory on the date of acceptance of delivery of scrap, excluding the weight of such scrap delivered. These actions constituted

violations of Supplementary Order M–9–b. In addition, respondent failed to maintain proper records and make proper reports to the War Production Board, in violation of Supplementary Order M–9–b and Priorities Regulation No. 1.

As a result of having been engaged in the scrap metal business for over ten years, and of the contact he had with War Production Board representatives from time to time, the respondent must be considered as having known of the restrictions affecting his business.

Such actions constitute wilful violations of Supplementary Order M–9–b and Priorities Regulation No. 1; they have hampered and impeded the war effort of the United States. In view of the foregoing: *It is hereby ordered,* That:

§ 1010.352 *Suspension Order No. S–352.* (a) During the effective period of this order, Daniel Kaufman, his successors and assigns, are hereby prohibited from ordering, purchasing or receiving copper, copper base alloy, or scrap as said terms are defined in Supplementary Order M–9–b, until his total inventory of all said materials has been reduced to 3,000 pounds by actual weight and so found by the War Production Board, unless hereafter specifically authorized in writing by the War Production Board.

(b) Nothing contained in this order shall be deemed to relieve Daniel Kaufman, his successors, or assigns, from any restriction, prohibition, or provision contained in any other order or regulation of the War Production Board except in so far as the same may be inconsistent with the provisions hereof.

(c) This order shall take effect on June 24, 1943.

Issued this 22d day of June 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 43–10026; Filed, June 22, 1943; 5:00 p. m.]

PART 3175—REGULATIONS APPLICABLE TO THE CONTROLLED MATERIALS PLAN

[Direction 18 as Amended June 22, 1943, to CMP Reg. 1, as Amended]

ACCEPTANCE OF ORDERS FOR STEEL

Direction 18 issued to all steel producers pursuant to CMP Regulation No. 1 as amended (§ 3175.1) is hereby amended to read as follows:

(1) No producer shall accept orders for delivery of steel in any month in excess of 110% of his production directive for that month or 105% of his estimated production for that month (see paragraph (t) (2) (iii) of CMP Regulation No. 1).

(2) No producer shall accept an order for delivery of steel in any month unless he expects to be able to schedule delivery in such month.

(3) If, after accepting an order, a producer finds that he cannot make delivery in the month requested, he may make such delivery during the fifteen days prior to or the month following the month requested without requiring any other allotment number or symbol.

(4) If, after accepting an order, the producer finds that he cannot schedule it for delivery before the end of the month in which delivery is requested, he must give prompt notice to his customer, stating the approximate date when shipment can be scheduled.

(5) If, after accepting an order, the producer finds that he cannot schedule it for shipment before the end of the month following the month in which delivery is requested he shall immediately notify the appropriate Controlled Material Division in writing stating the allotment number, the name of the customer, the material covered by the order and when he can schedule the order for delivery, and he shall, unless otherwise directed by the War Production Board or the customer, proceed to fill the order and ship it on the allotment number originally extended irrespective of the quarter for which the allotment was issued.

(6) If a producer is unable to accept an order because of the restrictions of paragraph (t) (2) (iii) of CMP Regulation No. 1 (see paragraph (1) above) but has open space available on his schedule in either of the two months following, the producer must tentatively accept such order for delivery as early as possible and must promptly notify the customer the month for which such order has been tentatively accepted, and request written confirmation. The customer must have such written confirmation in the producer's hands not later than seven days after the date of the producer's notice of tentative acceptance. The customer must confirm his prior certification and, if the order is not scheduled for delivery until a later quarter, must furnish an allotment number for such quarter.

Issued this 22nd day of June 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 43–10027; Filed, June 22, 1943; 5:00 p. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATION OF THE PRIORITIES SYSTEM

[Priorities Regulation 18 as Amended June 23, 1943]

FROZEN SCHEDULES

§ 944.39 *Priorities Regulation 18*—(a) *Definitions.* (1) "Producer" means any person whose production or delivery is subject to a "frozen schedule" as defined below.

(2) "Frozen schedule" means a production or delivery schedule approved or prescribed pursuant to any order listed in Appendix A of this regulation, or pursuant to any other order of the War Production Board which states expressly that schedules thereunder are to be deemed frozen schedules within the meaning of Priorities Regulation 18. When any such order provides that the filing of a schedule is equivalent to approval or that a filed schedule may not be varied without approval, the term "frozen schedule" means the schedule as filed with any modifications approved or prescribed by the War Production Board. When any such order requires the approval by the War Production Board of every purchase order for a particular type of item before the producer accepts the purchase order or delivers the item, the term "frozen schedule" includes all purchase orders on the producer's books which have been so approved, unless such order expressly states otherwise.

(b) *Protection of frozen schedules.* Notwithstanding any contrary provisions of any other regulation, order or other instrument issued by or under authority of the War Production Board (including AAA's and other preference rating instruments and CMP allotments), no producer shall interfere with any frozen schedule by eliminating, displacing or altering the precedence of any purchase order listed for production or delivery thereon in favor of any other purchase order unless he is specifically authorized or directed to do so by

(1) An order or direction of the War Production Board which identifies the frozen schedule and states on its face that it is an amendment of that schedule; or

(2) A special direction supplementary to a P–19–h order relating to a synthetic rubber, toluene, high octane gasoline, catalyst or other correlated project which bears an urgency number of 56 or smaller.

(c) *Notice to War Production Board.* The appropriate industry division of the War Production Board in charge of the scheduling of the particular item shall be immediately notified in writing by the producer whenever a special direction of the type referred to in paragraph (b) (2) above is received by the producer, requiring interference with a frozen schedule.

Issued this 23d day of June 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

APPENDIX A

Production and delivery schedules approved pursuant to the following orders are "frozen schedules" within the meaning of Priorities Regulation No. 18.

NOTE: Order L–215 was deleted from this list June 23, 1943

Orders

E-11	L-112	L-234	M-225
L-97	L-117	L-249	M-233
L-97A	L-163	L-269	M-293
L-97B	L-172	M-50	
L-100	L-192	M-76	
L-101	L-203	M-211	

[F. R. Doc. 43–10034; Filed, June 23, 1943; 9:14 a. m.]

PART 1072—SOLE LEATHER

[Revocation of General Preference Order M–80, as Amended [1]]

Section 1072.1 *General Preference Order M–80* is hereby revoked and shall be superseded by General Conservation Order M–310. This action shall not be construed to affect in any way any liability or penalty accrued or incurred under said General Preference Order M–80.

Issued this 23d day of June 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 43–10036; Filed, June 23, 1943; 9:13 a. m.]

PART 1072—SOLE LEATHER

[Revocation of Supplementary Order M–80–i [2]]

Section 1072.10 *Supplementary Order M–80–i* is hereby revoked and shall be superseded by General Conservation Order M–310. This action shall not be construed to affect in any way any liability or penalty accrued or incurred under said Supplementary Order M–80–i.

Issued this 23d day of June 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 43–10037; Filed, June 23, 1943; 9:13 a. m.]

PART 1078—JEWELRY

[General Limitation Order L–45, as Amended June 23, 1943]

Section 1078.1 *General Limitation Order L–45* is hereby amended to read as follows:

§ 1078.1 *General Limitation Order L–45*—(a) *Definitions.* For the purposes of this order:

(1) "Jewelry" means all articles commonly known as jewelry, designed to be worn on or about the person, including but not limited to mesh bags, vanity cases, compacts, cigarette cases, watch bracelets, watch cases designed to contain stones, pearls or jewels, jewelry findings and jewelry chains, but not including watches.

(2) "Manufacturer" means any person engaged in the business of manufacturing or assembling jewelry or parts specifically intended for incorporation into jewelry, including any person who performs manufacturing operations for a service charge.

(3) "Karat gold" means karat gold as defined in United States Commercial Standard CS67–38 (issued by the National Bureau of Standards) containing less than 40% by weight of copper. (Gold alloys containing 40% or more by weight of copper are governed by the provisions of Order M–9–c, as amended.)

(4) "Palladium" includes the total weight of any palladium alloy containing 10% or more of palladium by weight.

(5) "To produce jewelry" means for a manufacturer:

(i) To perform his last manufacturing or assembling operations on jewelry. If another manufacturer later performs additional manufacturing or assembling operations on the same jewelry, such other manufacturer shall also be deemed to be producing jewelry.

(ii) To remount or change the size, shape, form or function of jewelry, even though no additional karat gold or palladium is added.

"To produce jewelry", however, does not include the following:

(iii) To size a ring for the ultimate consumer when material is removed or when material is added for the purpose of sizing alone; or

(iv) To add one or more stones, pearls or jewels to an otherwise finished article, and to polish such article.

(b) *General restrictions.* (1) During the period beginning April 15, 1943, and ending June 30, 1943, inclusive, no manufacturer shall produce jewelry containing a greater combined amount of karat gold and palladium than 18¾% of the combined amount of karat gold and palladium contained in the jewelry produced by him during 1941.

(2) In addition to the amount of karat gold and palladium which a manufacturer may use during the period beginning April 15, 1943, and ending June 30, 1943, inclusive, pursuant to paragraph (b) (1) of this order, a manufacturer may use during such period instead of the amount of platinum contained in jewelry produced by him during 1941:

(i) An amount of karat gold equal to 25% of any portion of platinum used in 1941 to produce jewelry designed to contain stones, pearls or jewels plus an amount of palladium equal to 10½% of the remaining portion of such platinum; plus

(ii) An amount of karat gold equal to 10½% of any portion of platinum used in 1941 to produce jewelry designed not to contain stones, pearls or jewels plus an amount of palladium equal to 10½% of the remaining portion of such platinum.

(3) During the period of three months beginning July 1, 1943, and during each succeeding period of three months thereafter, until otherwise ordered, no manufacturer shall produce jewelry containing a greater combined amount of karat gold and palladium than 12½% of the combined amount of karat gold and palladium contained in the jewelry produced by him during 1941.

(4) In addition to the amount of karat gold and palladium which a manufacturer may use during any calendar quarter after July 1, 1943, pursuant to paragraph (b) (3) of this order, a manufacturer may use during such periods instead of the amount of platinum contained in jewelry produced by him during 1941:

(i) An amount of karat gold equal to 16⅔% of any portion of platinum used in 1941 to produce jewelry designed to contain stones, pearls or jewels plus an amount of palladium equal to 7% of the remaining portion of such platinum; plus

(ii) An amount of karat gold equal to 7% of any portion of platinum used in 1941 to produce jewelry designed not to contain stones, pearls or jewels plus an amount of palladium equal to 7% of the remaining portion of such platinum.

(5) The restrictions contained in paragraphs (b) (1) through (b) (4), inclusive, of this order shall not apply to any manufacturer who during the period beginning April 15, 1943, and ending June 30, 1943, inclusive, and during each succeeding period of three months until otherwise ordered, produces jewelry containing a total aggregate weight of karat gold and palladium less than 250 ounces; *Provided*, That:

(i) Such manufacturer produced jewelry during 1941, and

(ii) Such manufacturer does not produce jewelry during any three months period containing a greater total aggregate weight of karat gold and palladium than 25% of the amount contained in the jewelry produced by him during 1941; plus

(*a*) An amount of karat gold equal to 33⅓% of any portion of platinum used by him in 1941 to produce jewelry designed to contain stones, pearls or jewels plus an amount of palladium equal to 14% of the remaining portion of such platinum; plus

(*b*) An amount of karat gold equal to 14% of any portion of platinum used by him in 1941 to produce jewelry designed not to contain stones, pearls or jewels plus an amount of palladium equal to 14% of the remaining portion of such platinum.

(6) The restrictions contained in this order shall not apply to the use of karat gold and palladium in the repair of articles of jewelry, provided that no more karat gold and palladium by weight is used for such repairs than 5% of the total weight of karat gold and palladium contained in the article being repaired. In such cases where the repair of articles of jewelry involves the use of more karat gold and palladium than the 5% specified above, such repair operations shall be deemed to be production of jewelry operations and the total weight of karat gold or palladium used in such operations shall be included as part of the gold or palladium such manufacturer is permitted to use in the production of jewelry specified in paragraph (b) of this order.

(c) *Applicability of other orders.* In so far as any other order heretofore or hereafter issued by the Office of Production Management or the War Production Board, including Copper Conservation Orders M–9–c and M–9–c–2, as amended from time to time, limits the use of any material in the production of jewelry to a greater extent than the limits imposed by this order, the restrictions in such other order shall govern unless otherwise specified therein.

(d) *Applicability of regulations.* This order and all transactions affected thereby are subject to all applicable provisions of the regulations of the War Production Board, as amended from time to time.

(e) *Avoidance of excessive inventories.* No manufacturer of jewelry shall accumulate, for use in the manufacture of

[1] 7 F.R. 6076.
[2] 8 F.R. 5624.

jewelry, inventories of raw materials, semi-processed materials or finished parts in quantities in excess of the minimum amounts necessary to maintain production at the rates permitted by this order.

(f) *Reports.* (1) Each manufacturer shall file with the War Production Board on or before April 30, 1943, a report on Form WPB–2312 (formerly PD–797), showing the amount of karat gold, the amount of palladium, and the amount of platinum by weight contained in the jewelry produced by him during the year 1941, together with a statement as to whether such report is based on written records or on estimates.

(2) Each manufacturer shall file with the War Production Board on or before April 30, 1943, and on or before the 15th day of each third calendar month thereafter, a report on Form WPB–2312 (formerly PD–797), showing the amount of karat gold and the amount of palladium, by weight, contained in the jewelry produced by him during the preceding calendar quarter, and the amount of copper by weight used by him during such quarter in alloying gold for use in jewelry.

(g) *Violations.* Any person who wilfully violates any provision of this order, or who, in connection with this order, wilfully conceals a material fact or furnishes false information to any department or agency of the United States, is guilty of a crime, and upon conviction may be punished by fine or imprisonment. In addition, any such person may be prohibited from making or obtaining any further deliveries of, or from processing or using, material under priority control and may be deprived of priorities assistance.

(h) *Appeals.* Any appeal from the provisions of this order must be made on Form WPB–1477 (formerly PD–500).

(i) *Communications.* All reports required to be filed hereunder and all communications concerning this order shall, unless otherwise directed, be addressed to the War Production Board, Consumers Durable Goods Division, Washington, D. C., Ref: L–45

Issued this 23d day of June 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 43–10035; Filed, June 23, 1943; 9:13 a. m.]

PART 1097—SHEARLINGS AND OTHER WOOL SKINS

[Revocation of General Conservation Order M–94, as Amended [1]]

Section 1097.1 *General Conservation Order M–94* is hereby revoked and shall be superseded by General Conservation Order M–310. This action shall not be construed to affect in any way any liability or penalty accrued or incurred under said General Conservation Order M–94.

Issued this 23d day of June 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 43–10038; Filed, June 23, 1943; 9:13 a. m.]

PART 1144—GOATSKINS, KIDSKINS, AND CABRETTAS

[Revocation of Conservation Order M–114, as Amended [2]]

Section 1144.1 *Conservation Order M–114* is hereby revoked and shall be superseded by General Conservation Order M–310. This action shall not be construed to affect in any way any liability or penalty accrued or incurred under said Conservation Order M–114.

Issued this 23d day of June 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 43–10039; Filed, June 23, 1943; 9:13 a. m.]

PART 1144—GOATSKINS, KIDSKINS, AND CABRETTAS

[Revocation of Supplementary Order M–114–b [3]]

Section 1144.3 *Supplementary Order M–114–b* is hereby revoked and shall be superseded by General Conservation Order M–310. This action shall not be construed to affect in any way any liability or penalty accrued or incurred under said Supplementary Order M–114–b.

Issued this 23d day of June 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 43–10040; Filed, June 23, 1943; 9:13 a. m.]

PART 1206—HORSEHIDE

[Revocation of General Conservation Order M–141, as Amended [3]]

Section 1206.1 *General Conservation Order M–141* is hereby revoked and shall be superseded by General Conservation Order M–310. This action shall not be construed to affect in any way any liability or penalty accrued or incurred under said Conservation Order M–141.

Issued this 23d day of June 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 43–10041; Filed, June 23, 1943; 9:13 a. m.]

PART 1206—HORSEHIDE

[Revocation of Supplementary Order M–141–d [1]]

Section 1206.5 *Supplementary Order M–141–d* is hereby revoked and shall be superseded by General Conservation Order M–310. This action shall not be construed to affect in any way any liability or penalty accrued or incurred under said Supplementary Order M–141–d.

Issued this 23d day of June 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 43–10042; Filed, June 23, 1943; 9:13 a. m.]

PART 3009—CATTLE HIDES, CALF AND KIP SKINS

[Revocation to Conservation Order M–194 [2]]

Section 3009.1 *Conservation Order M–194* is hereby revoked and shall be superseded by General Conservation Order M–310. This action shall not be construed to affect in any way any liability or penalty accrued or incurred under said Conservation Order M–194.

Issued this 23d day of June 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 43–10043; Filed, June 23, 1943; 9:14 a. m.]

PART 3146—GARMENT LEATHER

[Revocation of General Conservation Order M–265 [3]]

Section 3146.1 *General Conservation Order M–265* is hereby revoked and shall be superseded by General Conservation Order M–310. This action shall not be construed to affect in any way any liability or penalty accrued or incurred under said General Conservation Order M–265.

Issued this 22d day of June 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 43–10045; Filed, June 23, 1943; 9:14 a. m.]

PART 3156—CATTLE HIDE LEATHER AND CATTLE HIDE LEATHER PRODUCTS

[Revocation to Conservation Order M–273 [4]]

Section 3156.1 *Conservation Order M–273* is hereby revoked and shall be superseded by General Conservation Order M–310. This action shall not be construed to affect in any way any liabil-

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[1] 7 F.R. 5903, 7092.

[1] 8 F.R. 14.
[2] 8 F.R. 5804.
[3] 8 F.R. 3092.

[1] 8 F.R. 2655.
[2] 7 F.R. 5085.
[3] 7 F.R. 9925, 8 F.R. 18, 2019.
[4] 8 F.R. 2150, 7631.

ity or penalty accrued or incurred under said Conservation Order M–273.

Issued this 23d day of June 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 43–10046; Filed, June 23, 1943; 9:14 a. m.]

PART 3222—DEERSKINS

[Revocation to General Preference Order M–301 [1]]

Section 3222.1 *General Preference Order M–301* is hereby revoked and shall be superseded by General Conservation Order M–310. This action shall not be construed to affect in any way any liability or penalty accrued or incurred under said Preference Order M–301.

Issued this 23d day of June 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 43–10047; Filed, June 23, 1943; 9:14 a. m.]

PART 3235—HIDES, SKINS AND LEATHER

[General Conservation Order M–310 [2]]

The fulfillment of requirements for the defense of the United States has created shortages in hides, skins and leather for defense, for private account, and for export; and the following order is deemed necessary and appropriate in the public interest and to promote the national defense:

§ 3235.1 *General Conservation Order M–310*—(a) *General definitions.* (1) "Tanner" means a person in the business of tanning, dressing, or similarly processing hides or skins, who in any calendar month after April 1, 1940, processed or processes more than 100 hides or skins.

(2) "Contractor" or "converter" means a person in the business of causing hides or skins to be tanned or dressed for his account in any tannery not owned or controlled by him.

(3) "Collector" means a person, including a dealer or importer, engaged in the business of acquiring from others untanned hides or skins for resale, or removing hides or skins from animals not slaughtered by him.

(4) "Producer" means a person in the business of slaughtering animals.

(5) "Military order" means an order for hides, skins or leather for delivery against a specific contract placed by any of the following, or for incorporation in any product to be delivered against such a contract:

The Army or Navy of the United States, the United States Maritime Commission, the War Shipping Administration, or any foreign government pursuant to the Act of March 11, 1941, entitled "An Act to Promote the Defense of the United States" (Lend-Lease Act) or any extension or renewal thereof: *Provided,* That orders for U. S. Army or Marine Corps Post Exchanges or for U. S. Navy Ship's Service Departments shall not be deemed military orders within the terms of this definition, except orders by the U. S. Navy Ship's Service Department for cut sole leather for repair purposes which are endorsed by the Bureau of Naval Personnel as provided in Priorities Regulation No. 17.

(6) "Military specifications" or "military quality" means, except as herein otherwise specifically provided, the specifications applicable to military orders or the quality of material meeting such specifications.

(7) "Sole leather" means vegetable tanned sole leather unless otherwise specified.

(8) All trade terms shall have their usual trade significance unless otherwise specified.

(b) *Provisions applying to all hides, skins and leather.* (1) No person shall process any hides, skins or leather contrary to any specific direction issued from time to time by the War Production Board relating to the processing or production of specific types of leather to meet military or designated civilian requirements.

(2) No producer, collector, tanner, contractor, converter or cutter shall sell, deliver, accept delivery of, cut, use or incorporate in any product any hides skins or leather contrary to any specific direction issued from time to time by the War Production Board deemed necessary in order to fill military or designated civilian requirements.

(3) No person shall sell or deliver any hides, skins or leather which he knows or has reason to believe will be used in violation of this order.

(4) Notwithstanding the provisions of any priorities or other regulations of the War Production Board, no preference rating shall be applied or extended for the delivery of hides, skins or leather, except:

(i) Leather for military orders; or

(ii) When specifically authorized in writing by the War Production Board pursuant to this subparagraph (b) (4) (ii).

(5) In making sales or deliveries of hides, skins or leather, including sole leather cut stock, no person shall make discriminatory cuts in quality or quantity between customers who meet such person's established prices, terms and credit requirements, or between customers and his own consumption of said materials.

(c) *Untanned cattlehides, calfskins and kips*—(1) *Definition.* "Cattlehide" means the hide or skin of a bull, steer, cow, or buffalo, foreign or domestic (not including calfskin or kip).

(2) No person shall put into process any cattlehide, calfskin, or kip in excess of such amounts for specified periods, as may be fixed by the War Production Board from time to time.

(3) No person shall sell, deliver, purchase or accept delivery of any untanned cattlehide, calfskin, or kip except to the extent that the purchaser is specifically authorized in writing by the War Production Board pursuant to application by the purchaser on form PD–569 for cattlehides and on form PD–569A for calfskins and kips; *Provided,* That transactions in untanned cattlehides, calfskins, or kips between collectors and between producers and collectors for purpose of resale, and transactions in such hides or skins imported under General Imports Order M–63 with any United States Government agency may be effected without such authorization. Such authorization may contain such conditions concerning sale, purchase, delivery and acceptance of delivery as may be imposed by the War Production Board, including but not limited to provisions that untanned cattlehides, calfskins or kips of specified kinds, types or weights be held in their original condition for transfer to persons authorized by the War Production Board to purchase them.

(4) In acting under paragraph (c) (3), it will be the policy of the War Production Board, so far as is practicable, to grant authorizations so that:

(i) The contractor or tanner may obtain cattlehides, calfskins, or kips in the proportions that the wettings in 1942 of the contractor or tanner, respectively, of cattlehides, calfskins, or kips, computed separately, bore to all wettings thereof in that year by all contractors and tanners; and

(ii) The contractor shall contract with the same tanners as in 1942 and shall divide his contracts between them in the same proportions as in 1942.

(5) No producer or collector shall cut off bellies or shoulders of untanned cattlehides, except for a purchaser specifically authorized in writing by the War Production Board to purchase hides with portions cut off.

(6) No person shall sell or dispose of any heads, bellies, or shoulders, or other portions of untanned cattlehides whether green, green-salted, dry, dry-salted, limed or pickled, except to the extent that the purchaser is authorized in writing by the War Production Board.

(d) *Cattlehides, calfskins and kips, and leather therefrom.* (1) No tanner shall produce any bag, case, or strap leather from cattlehides of qualities meeting Federal Specifications KK–L–151a, KK–L–166 or KK–L–271a, unless the hides are split in a manner to yield:

(i) Grains of the weights required to meet his unfilled military orders; or

(ii) Grains of the maximum weights obtainable: *Provided,* That this restriction shall not require the production of grains in excess of 8 oz.

(2) No tanner shall produce any harness leather in any color other than russet, except to fill military orders.

(3) Unless otherwise specifically ordered in writing by the War Production Board, no person shall curry or finish the following leathers and no manufacturer shall use the same, either before

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[1] 8 F.R. 3518.

[2] The following orders were superseded by M–310 and revocations issued on June 23, 1943: M–80, M–80–i, M–94, M–114, M–114–b, M–141, M–141–d, M–194, M–265, M–273, and M–301.

or after such currying or finishing, except in accordance with the following requirements:

(i) Rough sole leather shall be finished as sole leather (which thereupon becomes subject to paragraph (e) hereof) except that rough sole leather 12 iron and up may be curried and used for round belting;

(ii) Rough belting butts or butt bends shall be curried and thereafter used only for transmission belts, hydraulic, packing, mechanical and textile leathers, or fillet leather: *Provided,* That this restriction shall not apply to straightenings cut from the portion of the belting butt or butt bend beginning at the edge from which the belly was removed, if the straightening is less than two inches in width at the widest point;

(iii) Rough shoulders cut from sole leather hides if not finished for sole leather, and rough shoulders cut from any belting butts, shall be curried and used only for welting, hydraulic, packing, mechanical and textile leathers, except that double rough shoulders 11 iron and up may be curried and used for round belting.

(4) No tanner shall fill or contract to fill any order, whether or not bearing a preference rating, for any harness, skirting, collar, latigo, lace, rigging, rawhide, bag, case, strap or upholstery leather, or transfer any such leather to his owned or controlled fabricating establishment, or use or cause such leather to be used, in excess of the monthly or other quota and delivery schedule fixed for such tanner from time to time by the War Production Board pursuant to his application on form PD–772.

(5) Except upon specific authorization of the War Production Board in writing, no tanner shall process any cattlehides to make grain garment leather: *Provided,* That this restriction shall not apply to the extent required to meet unfilled military orders on hand June 23, 1943.

(6) No person shall commercially incorporate any cattlehide, calfskin, or kip leather or rawhide in any product not permitted by Schedule A hereof, except as provided in paragraph (d) (7).

(7) The restrictions of paragraph (d) (6) shall not apply to products manufactured:

(i) To fill military orders;

(ii) From cattlehide, calfskin, or kip leather delivered to the manufacturer prior to April 1, 1943; *Provided,* That the products are completely fabricated before December 31, 1943; *Provided, however,* That nothing in this paragraph shall constitute an exemption from the provisions of General Limitation Order L–284 (Luggage), or any other applicable order of the War Production Board.

(iii) From the following types of leather, if not suitable either for military orders or for any product permitted by Schedule A:

(*a*) Vegetable tanned cattlehide leather under three and one-half ounces in weight;

(*b*) Upholstery leather buffings;

(*c*) Cattlehide, calfskin, or kip leather scrap.

(iv) From other cattlehide, calfskin, or kip leather not suitable for any product permitted by Schedule A, if specifically authorized in writing by the War Production Board. Any person may apply for such authorization by letter once a month, stating the respects in which such leather is unsuitable for such products, the customers or trade to whom he intends to sell, the proposed uses of such leather, and the quantity, quality, weight and type of the leather involved.

(e) *Sole leather and sole leather cut stock*—(1) *Definitions.* (i) "Military quality outersole" means a bend sole of good fiber of a grade not lower than No. 1 scratch grade, and of a substance 8½ iron to 11 iron, inclusive.

(ii) "Military quality innersole" means a sole of 5½ to 7 iron, inclusive, first quality full grain leather, of a quality and fiber adapted to the purpose.

(iii) "Military quality strip" means a strip 8½ iron to 13 iron, inclusive, and "military quality tap" means a tap of 9 iron to 14 iron, inclusive, both cut from sole leather bends, commercially described as finders' leather, and a good fiber of a grade not lower than No. 1 scratch.

(iv) "Butt piece" means a piece cut from the butt portion of a sole leather bend by a straight cut perdendicular to line of backbone not more than three inches from root of tail.

(v) "Bend piece" means the portion of a finders' bend remaining after a butt piece has been removed and after a belly slab has been removed from the belly edge of the bend by cutting in a line running from shoulder to butt, approximately parallel to the backbone, and not less than thirteen inches therefrom at any point.

(vi) "Cutter for the repair trade" means a sole leather cutter who is equipped to cut repair taps, and who during the year ending July 31, 1942, cut repair taps as a regular part of his business.

(2) Every tanner and contractor shall set aside each month for cutting as required by paragraph (e) (4) 20% of the quantity of manufacturers' bends produced by him for his own account, or produced for his account by others, or such other percentage as may be fixed by the War Production Board in writing from time to time. The weight and quality of said portion set aside, hereinafter referred to as "manufacturers'-bends-for-repair", shall be proportionately equal, as nearly as possible, to those of the manufacturer's bends not so set aside. No manufacturer's bends-for-repair shall be sold to any finder or shoe-repairer as a whole bend.

(3) No person shall cut military quality outersoles or innersoles, except on patterns to fit the United States Munson last in sizes and widths to fit the sizes of shoes specified in military orders, or on other patterns approved or in sizes prescribed by the War Production Board from time to time.

(4) Except as otherwise specifically authorized in writing by the War Production Board, sole leather whole stock shall be cut and the resulting cut stock disposed of only in accordance with the provisions of Schedule B hereof, and no military quality cut stock produced in accordance with such schedule shall be sold, delivered or used except to fill military orders.

(5) No person except a shoe-repairer repairing shoes for the general public or any person repairing his own shoes shall hereafter use any non-military quality repair stock (except as provided in Block IIIB of Schedule B hereof) cut from finders' bends, from manufacturers'-bends-for-repair or from parts of such bends.

(f) *Horsehides*—(1) *Definitions.* (i) "Horsehide" means the hide or skin of a horse, colt, mule, ass or pony, except dry pony hides to be processed for furs.

(ii) "Horsehide front", "horsehide butt" and "horsehide shank" mean those horsehide parts commercially so known whether or not attached to other parts of the horsehide.

(2) No tanner shall put into process, and no converter shall cause to be put into process in any calendar month a greater percentage of his monthly average of similar material put into process in the year ending June 30, 1942, than:

100% as to wet salted horsehide fronts;

80% as to wet salted and dry horsehide butts;

80% as to wet salted and dry horsehide shanks; or

Such other percentages thereof as may be established by the War Production Board from time to time.

(3) No tanner shall put into process, or continue to process, any horsehide front, except into leather meeting military specifications in force at the time, unless such horsehide is not capable of being so processed.

(4) No person shall sell, deliver, accept delivery of, or incorporate into any product any horsehide front leather meeting any military specification except for unfilled military orders, or commercially incorporate horsehide shank or any horsehide front leather not meeting any military specifications in any product, except as permitted in Schedule A hereof; *Provided,* That this restriction shall not apply to persons using less than fifty horsehide shanks or horsehide fronts per month.

(g) *Shearlings*—(1) *Definitions.* (i) "Shearling" means the skin of any shorn sheep or lamb, domestic or foreign, and the skin of any unshorn California or other native lamb, whether raw, semi-processed, or finished, of 50's grade or higher, having a wool length of 2" or less, or originally of a wool length in excess of 2" which has been clipped after flaying so as to leave a wool length of ¼" or more, except:

(*a*) Any skin which will finish with a wool pile of less than ¼".

(*b*) Any skin which is natural black or mottled with black.

(*c*) Any skin so torn or damaged as to be unsuitable for tanning purposes.

(*d*) Grade #4 domestic shearlings (bare to ⅛" and clipper-cut skins less than ¼") as defined in the Office of Price Administration Maximum Price Regulation No. 141 (7 F.R. 3520) #1314.111 (a).

(ii) "Wool skin" means a raw sheep or lamb skin bearing wool.

(2) No person shall purchase or accept delivery of, or put into process or cause to be processed any raw shearling, except to the extent required to meet unfilled orders placed with him directly by the United States Army Air Forces. Such shearlings shall be processed to conform with military specifications.

(3) Upon receiving from tanners or contractors a description of their requirements of domestic wool skins with a wool growth in excess of 1" to fill United States Army Air Forces orders, producers of such skins shall offer to fill such requirements, without discriminating in price or terms of sale in favor of other customers; *Provided*, That no producer need offer to such tanners or contractors more than a total of 50% of his estimated production during any given calendar month; *Provided further*, That a producer who clips any such wool skins to a length less than 1" for sale to such tanners or contractors to enable them to fill orders placed by the United States Army Air Forces may include such skins in computing the above 50% quantity. It shall be prima facie proof of discrimination in price if the price to the aforesaid tanners or contractors is higher than the highest price charged for similar skins comprised in the remainder of the producer's monthly production when sold, or, in the event of sales or deliveries by a producer to his own or a subsidiary or affiliated wool pullery, if the price less the estimated cost of salting is higher than the estimated value of the wool and pickled skin yield less the estimated cost of pulling and pickling.

(4) No person shall commercially pull or cause to be pulled any wool from any freshly flayed or salted domestic or foreign shearling with wool growth of 1" or less and of 50's grade or higher.

(5) Every person engaged in processing shearlings to fill orders placed by the United States Army Air Forces shall submit his entire production and inventory of processed shearlings for inspection by an Army Air Forces Inspector for the purpose of segregating those skins which are not suited to military requirements. Notwithstanding the provisions of Priorities Regulation No. 1, § 944.11, as amended, shearlings rejected in writing by the Army Air Forces Inspector may be sold to any person, provided the written rejection is first filed with the War Production Board, Textile, Clothing and Leather Division.

(6) Every person not engaged in processing shearlings to fill orders placed by the United States Army Air Forces, owning or possessing raw, semi-processed or processed shearlings which he believes cannot be used to fill military orders because of imperfections in the wool or leather, may apply by letter to the War Production Board to have such shearlings released from the restrictions of this paragraph (g).

(h) *Goatskins and cabrettas*—(1) *Definitions.* (i) "Goatskin" means the skin of a goat or leather made from such skin, including kidskin, but excluding India tanned goatskin, and domestic angora goatskin.

(ii) "Cabretta" means the skin of a hair sheep or leather made from such skin.

(iii) "India tanned goatskin" means an imported goatskin tanned in Asia.

(2) No tanner shall put into process in the respective three months' period, commencing May 1, 1943, and on the first days of each August, November, February and May thereafter, more than 220% of his average monthly wettings of raw goatskins and cabrettas in 1941, (which average shall be known as "basic monthly wettings"), or more than such other percentages for such periods as may be fixed in writing by the War Production Board from time to time.

(3) No person shall put into process any raw goatskins, except to produce leather for incorporation into a goatskin product permitted to be manufactured by Schedule A hereof, or to meet military specifications.

(4) The restrictions of paragraphs (h) (2) and (h) (3) shall not apply to persons who put into process less than 200 domestic goatskins in any calendar month and who process no foreign goatskins.

(5) No tanner shall sell or deliver goatskin garment leather for other than military purposes, except leather failing to meet military specifications: *Provided*, That such failure has resulted unavoidably in the course of producing military leather; *Provided further*, That such leather permitted hereby to be sold or delivered for other than military purposes may not exceed 12½% of his production of military goatskin garment leather subsequent to the date of this order.

(6) No person shall commercially incorporate any goatskin leather in any product, except:

(i) To fill military orders; or

(ii) As permitted by Schedule A hereof; or

(iii) To utilize scrap not capable of being used to produce any of the goatskin products permitted by Schedule A hereof. Any tanner selling such scrap pieces for such purpose shall state such sales in his report to the War Production Board on Form PD–373.

(i) *Deerskins*—(1) *Definition.* "Deerskin" means the skin of any domestic, Canadian or New Zealand deer, except elk, moose, caribou skins, and Alaska deerskins.

(2) No person shall process any deerskin or deerskin leather, except:

(i) To produce suitable leather meeting United States Quartermaster Corps Tentative Specifications CQD–105, as amended from time to time, in all respects except as to country of origin; or

(ii) To fill a specific military order.

(3) No person shall sell or deliver any deerskin leather, or incorporate or manufacture any deerskin leather into any product, except to fill a specific military order.

(4) *Exceptions.* The restrictions of the preceding paragraphs (2) and (3) shall not apply to:

(i) Any deerskin or deerskin leather which does not meet and cannot be made to meet the specification referred to in subparagraph (2) (i) above: *Provided*, That deviations from the specification as to color or country of origin shall not be considered cause for this exception within the meaning of this provision;

(ii) Deerskin leather rejected in writing by the United States Army Quartermaster Depot, Chicago, Illinois;

(iii) Deerskin leather colored black or dark brown before March 20, 1943;

(iv) Any person who at no time puts into process, splits, shaves, skives, sells, delivers or uses more than 25 deerskins during any calendar month beginning with March 1943, or causes more than 25 deerskins to be processed, split, shaved, skived, sold, delivered or used for his account during any such month.

(j) *Effect on prior orders.* Authorizations to buy hides issued prior to June 23, 1943, under Conservation Order M–194, shall continue in effect until the expiration date therein provided or until expressly revoked.

Authorizations and directions issued and appeals granted prior to June 23, 1943, under the following orders, shall continue in effect until the expiration date therein provided or until expressly revoked:

General Preference Order M–80
General Conservation Order M–94
Conservation Order M–114
General Conservation Order M–141
Conservation Order M–273
General Preference Order M–301

(k) *Reports.* Every person described below shall, on or before the tenth day of each month, execute and file reports with the War Production Board, as directed on the respective forms mentioned below:

Producers or collectors of more than 500 cattlehides per month	PD–569C.
Producers or collectors of more than 200 calfskins per month	PD–569D.
Tanners of cattlehides	PD–569.
Tanners of calfskins and kips	PD–569A and PD–778.
Tanners of cattlehide side upper leather	PD–770.
Tanners of harness, skirting, collar, latigo, lace, rigging, rawhide, bag, case, strap and upholstery leather	PD–772.
Tanners of sole leather	PD–598B.
Tanners and converters of horsehides	PD–475.
Tanners of shearlings	PD–421.
Tanners and converters of goatskins, kidskins, cabretta or India tanned goatskins	PD–373.
Sole cutters	PD–598A.
Non-sole-cutting shoe manufacturers	PD–598C.

(l) *Appeals.* Any appeal from the provisions of this order shall be made by filing a letter in triplicate referring to the particular provision appealed from and stating fully the grounds of the appeal.

(m) *Communications to the War Production Board.* All reports, applications, forms, or communications required under or referred to in this order, and all communications concerning this order, shall, unless otherwise directed, be addressed to the War Production Board,

Textile, Clothing and Leather Division, Washington, D. C., Ref. M-310.

(n) *Violations.* Any person who wilfully violates any provision of this order, or who, in connection with this order, wilfully conceals a material fact or who furnishes false information to any department or agency of the United States is guilty of a crime, and, upon conviction, may be punished by fine or imprisonment. In addition, any such person may be prohibited from making or obtaining further deliveries of, or from processing or using material under priority control and may be deprived of priorities assistance.

Issued this 23d day of June 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

SCHEDULE A

	Cattlehide, calfskin and kip leather not restricted to military orders or specifically restricted elsewhere in this order may be incorporated in any product marked "Permitted" in this column	Horsehide shank or nonmilitary quality horsehide front leather may be incorporated in any product marked "Permitted" in this column.	Goatskin leather not restricted to military orders or specifically restricted elsewhere in this order may be incorporated in any product marked "Permitted" in this column.
Footwear	Permitted	Permitted	Permitted.
Transmission belts	Permitted	Not permitted	Not permitted.
Hydraulic, packing and mechanical leather products.	Permitted	Not permitted	Not permitted.
Leather products for textile equipment	Permitted	Not permitted	Not permitted.
Harness, horse collars, and saddlery for police, farm and industrial use.	Permitted	Not permitted	Not permitted.
Trusses	Permitted	Permitted	Permitted.
Surgical supports	Permitted	Permitted	Permitted.
Artificial limbs	Permitted	Permitted	Permitted.
Orthopedic products including arch supports	Permitted	Permitted	Permitted.
Cattle and drivers' whips and quirts	Permitted	Not permitted	Not permitted.
Laces and thongs	Permitted	Not permitted	Not permitted.
Cap visors	Permitted	Not permitted	Not permitted.
Divers' equipment	Permitted	Not permitted	Not permitted.
Motorcycle saddles	Permitted	Not permitted	Not permitted.
Sheaths for industrial knives	Permitted	Not permitted	Not permitted.
Work chaps	Permitted	Not permitted	Not permitted.
Work gloves	Permitted	Permitted	Permitted.
Work aprons	Permitted	Permitted	Permitted.
Garments for heavy duty workers, made from grain leather resulting unavoidably from tanning or cutting for specific military orders, but which was rejected as not meeting military specifications.	Permitted	Permitted	Permitted.
Heavy duty work belts	Permitted	Not permitted	Not permitted.
Industrial safety clothing and equipment only to the extent essential for safety and protection in the performance of the workers' duties	Permitted	Permitted	Permitted.
Furniture leather essential for repair and maintenance of transportation equipment, office and commercial furniture.	Permitted	Not permitted	Not permitted.
Athletic goods except golf bags	Permitted	Permitted	Not permitted.
Leather puttees for peace officers, transportation and industrial workers.	Permitted	Not permitted	Not permitted.
Rifle scabbards, rifle slings, pistol holsters, pistol belts for peace officers, guards, cowboys.	Permitted	Not permitted	Not permitted.
Luggage handles and attaching pieces, welts, bindings, corners and closures.	Permitted	Not permitted	Not permitted.
Rawhide hammers and hammer faces	Permitted	Not permitted	Not permitted.

SCHEDULE B

	Type of sole leather whole stock			
	Finders' bends	Manufacturers'-bends-for-repair	Manufacturers' bends	Shoulders, bellies and shanks
Block I. Persons permitted to cut each type subject to the provisions of Blocks II and III below.	Cutter for the repair trade only, except that any sole leather cutter may cut to obtain outersoles, midsoles and toplifts only in accordance with Block IIB below.	Cutter for the repair trade only.	Any sole leather cutter.	Any sole leather cutter.
Method of cutting				
Block IIA. Except for deviation permitted in Block IIB below, each type shall be cut to yield maximum quantity of military quality cut stock shown in this block.	Bend pieces (which may not be further cut except in accordance with Block IIB).	Outersoles	Outersoles and innersoles.	Innersoles.
Block IIB. Each type may be cut to produce the military quality cut stock shown in this block but only— 1. So as to yield the maximum quantity of such military quality cut stock, and 2. To the extent required to meet unfilled military orders of the kinds indicated.	Strips and taps cut from bends or from bend pieces, to meet any unfilled military order. Toplifts cut from bends, bend pieces, or other bend portions, to meet any unfilled military order. Outersoles and midsoles cut from bends or from bend pieces to meet military orders under Lend-Lease Act only.	May not be cut except under Block IIA.	Midsoles, counters and toplifts, to meet any unfilled military order.	Counters and midsoles to meet any unfilled military order.
Cutting and disposition of remainder of each type (including belly slabs resulting from cutting of bend pieces from finders' bends) after military quality cut stock has been obtained as provided in Block II.				
Block IIIA. Except as permitted in Block IIIB below, remainder of each type shall be cut and disposed of only as shown in this block.	To produce repair stock, other than outersoles, for sale only to finders for ultimate use by shoe-repairers or persons repairing their own shoes.	To produce repair stock, other than outersoles, for sale only to finders for ultimate use by shoe-repairers or persons repairing their own shoes.	To produce cut stock for sale and use only by shoe manufacturers.	Unrestricted.*
Block IIIB. Exceptions shall be only as shown in this block.	Finders' toplifts and finders' pieces from which no tap can be obtained—unrestricted.	Butt pieces, finders' toplifts and finders' pieces from which no tap can be obtained—unrestricted.	No exceptions.	No exceptions.
	Non-military outersoles produced unavoidably in the course of cutting military outersoles—for sale only to shoe manufacturers.	Non-military outersoles produced unavoidably in the course of cutting military outersoles—for sale only to shoe manufacturers.		

[F. R. Doc. 43-10044; Filed, June 23, 1943; 9:14 a. m.]

Chapter XI—Office of Price Administration

PART 1306—IRON AND STEEL

[RPS 41[1] Amdt. 6]

STEEL CASTINGS

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Revised Price Schedule No. 41 is amended in the following respects:

1. Section 1306.112 (a) (3) is amended to delete the words "charges for machining and" in the first and third sentences of said section.

2. Section 1306.112 (a) (8) is added to read as follows:

(8) *Machining.* "Machining" means any operation beyond the normal foundry processes performed for the purpose of providing casting surfaces or dimensions to conform to specifications of the purchaser.

(i) *Where performed by an independent machine shop.* (*a*) Where machining of steel castings is let out to independent machine shops by a producer who customarily let out such machining on March 31, 1942, the machining charge which may be added shall not exceed the price paid or payable by such producer to the independent machine shop for the machining plus such additional charge, if any, as would have been customarily made by such producer on March 31, 1942: *Provided,* That each producer who customarily let out machining on steel castings to independent machine shops on March 31, 1942 shall file with the Iron and Steel Branch, Office of Price Administration, Washington, D. C., on or before July 20, 1943 a statement of his customary method on March 31, 1942 of computing charges for such machining.

(*b*) Where a producer did not customarily let out machining of steel castings to independent machine shops on March 31, 1942 and, at any time on or after July 20, 1943, does let out such machining, to an independent machine shop, his charge for such machining may not exceed the price paid or payable by him to the independent machine shop for such machining: *Provided,* That if the Office of Price Administration has approved for such producer an additional charge for machining let out to independent machine shops, such charge may be added. In order to obtain approval of an additional charge the producer must submit to the Iron and Steel Branch of the Office of Price Administration, Washington, D. C. a proposed additional charge together with data substantiating the fairness of the proposed charge. Where such proposed additional charge and the substantiating data have been submitted, the Office of Price Administration shall, in writing, approve or disapprove such charge, or may approve such charge as it may deem fair and equitable, within thirty days from the time the proposed additional charge is received by said Iron and Steel Branch. If no action is taken within these thirty days, the proposed charge shall be deemed approved. Pending approval or disapproval as above, the producer may use the proposed charge subject to adjustment in accordance with the determination of the Office of Price Administration.

(ii) *Where performed by the producer.* (*a*) If a producer had machine-hour rates in effect on March 31, 1942, for the machining of steel castings sold by him, the maximum charge which may be added shall not exceed the net charge, computed by use of said machine-hour rates, which the producer customarily would have made on March 31, 1942, to the purchaser: *Provided,* That on or before July 20, 1943, every producer shall file with the Iron and Steel Branch of the Office of Price Administration said machine-hour rates.

(*b*) Where a producer had no machine-hour rates in effect on March 31, 1942 the maximum charge which may be added for machining of steel castings sold by him shall be determined by application of the methods of estimating costs and prices, labor rates, overhead rates, material and other costs and profit margins in effect for such producer on March 31, 1941. "Labor rates in effect on March 31, 1941," are the labor rates prevailing on that date in the producer's machine shop for each classification of labor: *Provided,* That where such producer employs labor of a classification not employed on March 31, 1942, he shall apply the rate prevailing on that date for the nearest skill in his locality as accurately as he is able to determine the same with reasonably diligent inquiry.

(*c*) Where a producer did not customarily on March 31, 1942 machine steel castings sold by him, or where he has acquired new machines since March 31, 1942 for which maximum charges are not established by (*a*) or (*b*) above, the maximum charge which may be added in such cases for machining shall be not in excess of such charge as is determined in accordance with a price determining method approved for such producer by the Office of Price Administration. Where such producer wishes to add a charge for machining in such cases he must submit to the Iron and Steel Branch of the Office of Price Administration a proposed price determining method for ascertaining such charge together with data substantiating the fairness of the proposed method. The Office of Price Administration shall, in writing, approve or disapprove such price determining method or may approve such price determining method as it may deem fair and equitable within thirty days from the date such proposed price determining method is received by said Iron and Steel Branch. If no action is taken within those thirty days the proposed price determining method shall be deemed approved. Pending approval or disapproval as above, the producer may use the proposed price determining method subject to adjustment in accordance with the determination of the Office of Price Administration.

3. Section 1306.112 (b) is amended by adding the following proviso:

Provided, That machining charges may be ascertained in accordance with Section 1306.112 (a) (8) except in the case of machined steel castings customarily sold by the producer on July 15, 1941 on a per piece price basis in which case the July 15, 1941 per piece price, adjusted for the difference in the machining costs used in the July 15, 1941 price and the March 31, 1942 machining costs, shall apply.

4. The last sentence of § 1306.112 (c) (1) is revoked.

5. Section 1306.112 (c) (3) is amended by deleting the words "charges for machining or" in the second sentence of said section.

6. Section 1306.112 (c) (8) is added to read as follows:

(8) *Machining.* Maximum charges for machining shall be determined in accordance with § 1306.112 (a) (8).

7. Section 1306.112 (d) (i) is amended to read as follows:

(i) In filling out the items on Form 141:4 the cost factors and profit margins used shall be those in effect and prevailing between October 1 and October 15, 1941 or, in the case of a producer who was not customarily producing steel castings between October 1 and October 15, 1941, shall be those in effect and prevailing at the time of filing, except that with respect to machining the proposed charges shall be determined in accordance with § 1306.112 (a) (8).

8. Schedules X–88R, X–112R, X–117R, X–312R, X–313R, and X–317R of Table V of Section 1306.112 are amended to read as follows:

X–88R

Weight per piece, lbs.:	*1 and over*
1 to 5	.362
5 to 10	.286
10 to 25	.227
25 to 50	.184
50 to 100	.151
100 to 250	.130
250 to 500	.116
500 to 1,000	.106
1,000 to 2,500	.097
2,500 to 5,000	.091
5,000 to 10,000	.086
10,000 to 25,000	.084
25,000 to 50,000	.086
50,000 to 100,000	.091
Over 100,000	.097

X–112R

Weight per piece, lbs.:	*1 and over*
1 to 5	.469
5 to 10	.371
10 to 25	.294
25 to 50	.238
50 to 100	.196
100 to 250	.168
250 to 500	.150
500 to 1,000	.137
1,000 to 2,500	.126
2,500 to 5,000	.118
5,000 to 10,000	.112
10,000 to 25,000	.108
25,000 to 50,000	.112
50,000 to 100,000	.118
Over 100,000	.126

* Copies may be obtained from the Office of Price Administration.

[1] 8 F.R. 2275, 3844.

X-117R

Weight per piece, lbs.:	*1 and over*
1 to 5	.557
5 to 10	.440
10 to 25	.348
25 to 50	.282
50 to 100	.232
100 to 250	.199
250 to 500	.178
500 to 1,000	.162
1,000 to 2,500	.149
2,500 to 5,000	.139
5,000 to 10,000	.133
10,000 to 25,000	.129
25,000 to 50,000	.133
50,000 to 100,000	.139
Over 100,000	.149

X-312R

Weight per piece, lbs.:	*1 and over*
1 to 5	.348
5 to 10	.275
10 to 25	.218
25 to 50	.177
50 to 100	.146
100 to 250	.125
250 to 500	.112
500 to 1,000	.102
1,000 to 2,500	.094
2,500 to 5,000	.087
5,000 to 10,000	.083
10,000 to 25,000	.081
25,000 to 50,000	.083
50,000 to 100,000	.087
Over 100,000	.094

X-313R

Weight per piece, lbs.:	*1 and over*
1 to 5	.321
5 to 10	.254
10 to 25	.202
25 to 50	.163
50 to 100	.134
100 to 250	.115
250 to 500	.103
500 to 1,000	.094
1,000 to 2,500	.086
2,500 to 5,000	.081
5,000 to 10,000	.077
10,000 to 25,000	.074
25,000 to 50,000	.077
50,000 to 100,000	.081
Over 100,000	.086

X-317R

The producer's July 15, 1941 price established in accordance with § 1306.112 (b) or the price established in accordance with § 1306.112 (c), whichever is higher.

This amendment shall become effective June 28, 1943.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 22d day of June 1943.

PRENTISS M. BROWN,
Administrator.

[F. R. Doc. 43-10048; Filed, June 23, 1943; 9:51 a. m.]

PART 1315—RUBBER AND PRODUCTS AND MATERIALS OF WHICH RUBBER IS A COMPONENT

[MPR 107,[1] Amdt. 12]

USED TIRES AND TUBES

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Maximum Price Regulation No. 107 is amended in the following respects:

1. Section 1315.1353a (d) is added to read as follows:

(d) Notwithstanding any of the provisions of paragraphs (a) or (b) of this section, the minimum quality specifications set forth in Appendix C (§ 1315.1362) shall not apply to emergency tires as defined in § 1315.1360 (e).

2. Section 1315.1360 (e) is added to read as follows:

(e) *Emergency tires.* Notwithstanding any other provision of this regulation, the maximum price for any emergency tire shall be determined according to this paragraph. "Emergency tire" means any used passenger-car tire which is branded as required and which is capable of being used as a tire on the wheel of a vehicle or of being made usable with emergency repairs such as cold patches or reliners. The brand required is the letter "O" not less than ½ of an inch in height placed on the sidewall of the tire with a hot iron. Emergency tires need not comply with the minimum quality specifications for repairable tires in paragraph (b) of Appendix C. A tire which is beyond all use and cannot be made usable as a tire may not be sold as an emergency tire. The maximum price for an emergency tire shall be as follows:

(1) *When sold unrepaired.* The maximum price for any emergency tire which is sold as is without any repairs being made shall be one dollar.

(2) *When sold with emergency repairs.* The maximum price for any emergency tire which is sold with emergency repairs performed on it shall be one dollar plus the seller's maximum price for each emergency repair performed on the tire, if the total of such items does not exceed the top limit set in the next sentence. The maximum price for such an emergency tire shall in no no case exceed the maximum price set forth in Table II-A for a sound or repaired basic tire carcass of the same size. If the total of the one dollar plus the permitted charges for the emergency repairs exceeds the maximum price set forth in Table II-A for a sound or repaired basic tire carcass of the same size, the maximum price shall be the maximum price for such basic tire carcass in Table II-A. The seller's maximum price for each emergency repair shall be determined under Maximum Price Regulation 165, as amended—Services. "Emergency repairs" means repairs of the kind which are commonly called cold repairs as distinguished from vulcanized repairs and which involve the use of temporary or emergency cold patches, reliners and the like. Repairs which comply with the minimum quality specifications in Appendix C are not emergency repairs.

(3) *When permanently repaired.* If an emergency tire complies with the minimum quality specifications for repairable tires in paragraph (b) of Appendix C and if it is repaired in compliance with all the minimum quality specifications in Appendix C, the maximum price shall be determined under this regulation as though it were not an emergency tire.

(4) *Sales slips.* Every person engaged in the business of selling tires or tubes not mounted as part of the equipment of a vehicle shall furnish the purchaser of each emergency tire with a written statement or sales slip. For emergency tires which are sold unrepaired or with emergency repairs the sales slip shall set forth the following items:

(i) The words "emergency tire";

(ii) The size of the tire;

(iii) The price charged for the tire carcass;

(iv) An itemized list showing the price charged for each emergency repair made.

Where such sales slip is required, it shall take the place of the written statement required by § 1315.1355 (a). For emergency tires which are repaired to comply with all the minimum quality specifications in Appendix C, the seller shall furnish the purchaser with the written statement required by § 1315.1355 (a).

3. Section 1315.1362 (b) is amended to read as follows:

(b) *Repairable tire.* "Repairable tire" means a used tire which has sufficient tread design or under tread to warrant repair for use for the purpose for which it was primarily designed. Specifically, such tire must meet at least the following conditions:

(1) The tread and sidewall must not be weather checked or cracked to the extent that the tire has more than two radial cracks which extend through the cord body.

(2) The cord body:

(i) Must not have separation between plies.

(ii) Must not have any fabric injuries that exceed one-half the cross-sectional diameter of the tire. Example—Injuries in 600/16 (6 inch) tires must not be more than three inches long: in 10.00/20 tires not more than five inches.

(iii) Must not have more than three injuries requiring sectional or reinforcement repairs.

(iv) Must not have injuries below the point where the top of the rim flange makes contact with the tire, or bead areas which show any broken wires.

This amendment shall become effective June 22, 1943.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871, E.O. 9328; 8 F.R. 4681)

Issued this 21st day of June 1943.

PRENTISS M. BROWN,
Administrator.

[F. R. Doc. 43-10049; Filed, June 22, 1943; 9:47 a. m.]

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[1] 7 F.R. 1838, 1981, 2394, 3891, 5177, 7365, 8586, 8799, 8802, 8948; 8 F.R. 1584, 2206.

*Copies may be obtained from the Office of Price Administration.

PART 1347—PAPER, PAPER PRODUCTS, RAW MATERIALS FOR PAPER AND PAPER PRODUCTS, PRINTING AND PUBLISHING

[MPR 114,[1] Amdt. 7]

WOODPULP

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Section 1347.232 (d) (1) is amended to read as follows:

(d) (1) Producers of sulphite woodpulp of special chemical, high alpha or glassine grades, producers of sulphate woodpulp of special chemical or condenser grades, producers of sulphate woodpulp producing such woodpulp for shipment pursuant to allocation by the War Production Board with equipment not designed for the production of such pulp for sale on the open market, and producers of woodpulps produced in whole or in part from rags, paper stock or any fibre material other than wood, shall, before making any sale of woodpulp of any such grade, submit to the Administrator a sworn statement setting forth all the relevant facts, including:

(i) Grade and grade name of woodpulps proposed to be sold;

(ii) Special characteristics which bring the grade or grades involved within the provisions of this paragraph (d);

(iii) Proposed sales prices per air dry ton, and terms of sale (i. e. delivered, delivered with freight allowed, f. o. b. mill, ex dock Atlantic seaboard, or other);

(iv) Names and addresses of customers to whom such woodpulps have been sold in the fourth quarter of the year 1941, and thereafter;

(v) Prices per air dry ton at which these woodpulps have been sold to all such customers in the fourth quarter of 1941, and thereafter, and the terms of all such sales;

(vi) An itemized statement of the costs of production of such woodpulps per air dry ton.

This amendment shall become effective June 28, 1943.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 22d day of June 1943.

PRENTISS M. BROWN,
Administrator.

[F. R. Doc. 43-10051; Filed, June 23, 1943; 9:52 a. m.]

PART 1364—FRESH, CURED AND CANNED MEAT AND FISH

[Rev. MPR 148,[2] Amdt. 7]

DRESSED HOGS AND WHOLESALE PORK CUTS

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Revised Maximum Price Regulation No. 148 is amended in the following respects:

1. The effective date provision of Amendment No. 5 to Revised Maximum Price Regulation No. 148 is amended to read as follows:

This Amendment 5 shall become effective (1) as to sales or deliveries of fresh and frozen wholesale pork cuts, by others than wholesalers, on June 14, 1943; (2) as t sales or deliveries of fresh and frozen wholesale pork cuts, by wholesalers, on June 19, 1943; (3) as to sales or deliveries of cured and processed wholesale pork cuts, by others than wholesalers, on June 28, 1943; and (4) as to sales or deliveries of cured and processed wholesale pork cuts, by wholesalers, on July 5, 1943.

This amendment shall become effective as of June 14, 1943.

(Pub Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 22d day of June 1943.

PRENTISS M. BROWN,
Administrator.

[F. R. Doc. 43-10055; Filed, June 22, 1943; 9:48 a. m.]

PART 1364—FRESH, CURED AND CANNED MEAT AND FISH

[Rev. MPR 169[1] Amdt. 17]

BEEF AND VEAL CARCASSES AND WHOLESALE CUTS

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Revised Maximum Price Regulation No. 169 is amended in the following respects:

1. The effective date provision of Amendment No. 15 to Revised Maximum Price Regulation No. 169 is amended to read as follows:

This Amendment 15 shall become effective: (1) as to sales or deliveries of fresh and frozen beef and veal, by others than wholesalers, hotel supply houses and peddler truck sellers, on June 14, 1943; (2) as to sales or deliveries of fresh and frozen beef and veal, by wholesalers, hotel supply houses and peddler truck sellers, on June 19, 1943; (3) as to sales or deliveries of miscellaneous beef items and processed products, by others than wholesalers, hotel supply houses and peddler truck sellers, on June 28, 1943; and (4) as to sales or deliveries of miscellaneous beef items and processed products by wholesalers, hotel supply houses and peddler truck sellers, on July 5, 1943.

This amendment shall become effective as of June 14, 1943.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 22d day of June 1943.

PRENTISS M. BROWN,
Administrator.

[F. R. Doc. 43-10057; Filed, June 22, 1943; 9:48 a. m.]

PART 1364—FRESH, CURED AND CANNED MEAT AND FISH

[Rev. MPR 239,[1] Amdt. 5]

LAMB AND MUTTON CARCASSES AND CUTS AT WHOLESALE AND RETAIL

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Revised Maximum Price Regulation No. 239 is amended in the following respects:

1. The effective date provision of Amendment No. 4 to Revised Maximum Price Regulation No. 239 is amended to read as follows:

This Amendment 4 shall become effective (1) as to sales or deliveries of all products, other than pickled mutton, by other than wholesalers, hotel supply houses and peddler truck sellers, on June 14, 1943; (2) as to sales or deliveries of all products other than pickled mutton, by wholesalers, hotel supply houses and peddler truck sellers, on June 19, 1943; (3) as to sales or deliveries of pickled mutton by other than wholesalers, hotel supply houses and peddler truck sellers, on June 28, 1943; and (4) as to sales or deliveries of pickled mutton, by wholesalers, hotel supply houses and peddler truck sellers, on July 5, 1943.

This amendment shall become effective as of June 14, 1943.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 22d day of June 1943.

PRENTISS M. BROWN,
Administrator.

[F. R. Doc. 43-10058; Filed, June 22, 1943; 9:48 a. m.]

PART 1364—FRESH, CURED AND CANNED MEAT AND FISH

[MPR 389,[2] Amdt. 4]

CEILING PRICES FOR CERTAIN SAUSAGE ITEMS AT WHOLESALE

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Maximum Price Regulation No. 389 is amended in the following respects:

1. The effective date provision of Amendment No. 3 to Maximum Price Regulation No. 389 is amended to read as follows:

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*Copies may be obtained from the Office of Price Administration.

[1] 7 F.R. 2843, 3576, 5059, 5564, 8997, 8948, 8 F.R. 321, 2334.

[2] 7 F.R. 8609, 9005, 8948; 8 F.R. 544, 2922, 3367, 4785, 7322, 7671, 7826, 8376.

[1] 8 F.R. 5097, 4786, 4844, 5170, 5478, 5634, 6058, 6427, 7109, 6945, 7199, 7200, 8011.

[1] 7 F.R. 10688; 8 F.R. 3589, 4786, 7679.

[2] 8 F.R. 5903, 6958, 6945, 8185.

This Amendment 3 shall become effective (1) as to sales or deliveries by other than sausage manufacturers, who do not own or control, in whole or in substantial part, any slaughtering plant or facilities, and who are not controlled, in whole or in substantial part, by another person who owns or controls in substantial part any slaughtering plant or facilities, wholesalers, hotel supply houses and peddler truck sellers, on June 21, 1943; and (2) as to sales or deliveries by all other sausage manufacturers and by wholesalers, hotel supply houses and peddler truck sellers on June 28, 1943.

This amendment shall become effective as of June 14, 1943.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 22d day of June 1943.

PRENTISS M. BROWN,
Administrator.

[F. R. Doc. 43-10056; Filed, June 22, 1943; 9:48 a. m.]

PART 1370—ELECTRICAL APPLIANCES

[MPR 111,[1] Amdt. 10]

NEW HOUSEHOLD VACUUM CLEANERS AND ATTACHMENTS

A statement of considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Section 1370.7 (a) (1) is hereby revoked.

This amendment shall become effective June 28, 1943.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871)

Issued this 22d day of June 1943.

PRENTISS M. BROWN,
Administrator.

[F. R. Doc. 43-10059; Filed, June 23, 1943; 9:46 a. m.]

PART 1380—HOUSEHOLD AND SERVICE INDUSTRY MACHINES

[RPS 86,[2] Amdt. 2]

DOMESTIC WASHING MACHINES AND IRONING MACHINES

A statement of considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Section 1380.5 (a) is hereby revoked.

This amendment shall become effective June 28, 1943.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871)

Issued this 22d day of June 1943.

PRENTISS M. BROWN,
Administrator.

[F. R. Doc. 43-10060; Filed, June 23, 1943; 9:46 a. m.]

PART 1382—HARDWOOD LUMBER

[MPR 281, Amdt. 2]

NAVY OAK SHIP STOCK

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Maximum Price Regulation 281 is amended in the following respect:

The text of § 1382.212 (a) (1) (i) is amended by adding the following:

For stock thicker than 4", when the purchaser requires and order specifies that the stock is to be "free of heart", the maximum price shall be determined as follows:

Add to the maximum price for stock 4" thick, of the specified width, set forth above, $10.00 for each inch in the thickness in excess of 4".

In case the thickness involves a fraction of an inch, e. g., 4½", 5¼", etc., the addition shall be a similar fractional part of $10.00, e. g., $5.00, $12.50, etc.

Example:

5 x 14"—16' Free of Heart

Maximum price for 4 x 14"—16'	$105.00
Addition for 1" in thickness in excess of 4"	10.00
Maximum price for 5 x 14"—16' Free of Heart	115.00

Example:

5¼ x 12"—16' Free of Heart

Maximum price for 4 x 12"—16'	$96.00
Addition for 1¼" in thickness in excess of 4"	12.50
Maximum price for 5¼ x 12"—16' Free of Heart	108.50

Example:

4½ x 10"—16' Free of Heart

Maximum price for 4 x 10"—16'	$86.00
Addition for ½" in thickness in excess of 4"	5.00
Maximum price for 4½ x 10"—16' Free of Heart	91.00

This amendment shall become effective June 28, 1943.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871)

Issued this 22d day of June 1943.

PRENTISS M. BROWN,
Administrator.

[F. R. Doc. 43-10061; Filed, June 23, 1943; 9:52 a. m.]

PART 1407—RATIONING OF FOOD AND FOOD PRODUCTS

[RO 3,[1] Amdt. 69]

SUGAR RATIONING REGULATIONS

A rationale accompanying this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Rationing Order No. 3 is amended in the following respects:

1. Section 1407.141 (b) is amended to read as follows:

(b) Each stamp authorizes delivery of sugar to a consumer only during the ration period assigned to such stamp in § 1407.243. A stamp received in accordance with Rationing Order No. 3 by a registering unit, which is neither a depositor nor required to be one, authorizes the registering unit to take delivery of sugar in an amount equal to the weight value of the stamp if such stamp is surrendered to another registering unit or a primary distributor within a month of the close of the ration period assigned to such stamp. A stamp surrendered to a depositor shall be valid for deposit in his account for a period of a month and ten days after the close of the ration period assigned to such stamp. Except as provided in paragraph (f) of § 1407.140, a depositor may issue checks at any time, against credits created by the deposit of a stamp. Stamps numbered one through nine shall not be valid for deposit. If the ration period assigned to a stamp ends on a day which is not the last day of a calendar month and the next calendar month has a day which corresponds thereto, then a "month", as used in this paragraph, is the period from the last day of the ration period to and including the corresponding day of the next calendar month; otherwise it is the period from the last day of the ration period to and including the last day of the next calendar month.

2. Section 1407.141 (c) (1) is amended by inserting in the first sentence thereof between the words "sugar" and "within" and in the second sentence thereof between the words "registering unit" and "within" the words "if such certificate is surrendered".

3. Section 1407.141 (c) (2) is amended by inserting in the first sentence thereof between the words "sugar" and "not" and in the second sentence thereof between the words "registering unit" and "within" the words "if such certificate is surrendered".

This amendment shall become effective June 22, 1943.

(Pub. Law 421, 77th Cong., E.O. 9125, 7 F.R. 2719; E.O. 9280, 7 F.R. 10179; W.P.B.

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*Copies may be obtained from the Office of Price Administration.

[1] 7 F.R. 2307, 2794, 3330, 3447, 3776, 4229, 6049, 7839, 8937, 8948, 8 F.R. 3252.

[2] 7 F.R. 1367, 2132, 8948; 8 F.R. 5635.

[1] 8 F.R. 5909, 5846, 6135, 6442, 6626, 6687, 6961, 7351, 7380, 8010.

Dir. 1 and Supp. Dir. 1E, 7 F.R. 562, 2965; Food Dir. 3, 8 F.R. 2005)

Issued this 21st day of June 1943.

PRENTISS M. BROWN,
Administrator.

[F. R. Doc. 43-10062; Filed, June 23, 1943; 9:49 a. m.]

PART 1407—RATIONING OF FOOD AND FOOD PRODUCTS

[RO 12,[1] Amdt. 43]

COFFEE RATIONING REGULATIONS

A rationale accompanying this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Ration Order No. 12 is amended in the following respects:

1. Section 1407.1020 (b) is amended to read as follows:

(b) Each coffee stamp authorizes the transfer of one pound of roasted coffee to a consumer only during the ration period assigned to that coffee stamp in § 1407.-1091. A coffee stamp received in accordance with Ration Order No. 12, by a retailer, who is not and is not required to be a depositor, and against which such retailer has transferred roasted coffee, authorizes such retailer to acquire roasted coffee therewith from another retailer or wholesaler, if such stamp is surrendered to such other retailer or wholesaler within a month of the close of the ration period assigned to such coffee stamp. Coffee stamps surrendered to a depositor shall be valid for deposit in his account for a period of a month and ten days after the close of the ration period assigned to such coffee stamp. Except as provided in paragraph (f) of § 1407.1032, a depositor may issue checks at any time against credits created by the deposit of a stamp: *Provided, however,* That notwithstanding anything to the contrary contained in Ration Order No. 12, on or before February 15, 1943, coffee stamp No. 27, and, on or before March 15, 1943, coffee stamp No. 28, may be deposited, or may be surrendered in order to authorize the transfer of roasted coffee to a retailer who is not and is not required to be a depositor. If the ration period assigned to a coffee stamp ends on a day which is not the last day of a calendar month and the next calendar month has a day which corresponds thereto, then a "month", as used in this paragraph, is the period from the last day of the ration period to and including the corresponding day of the next calendar month; otherwise it is the period from the last day of the ration period to and including the last day of the next calendar month.

2. Section 1407.1020 (d) (1) is amended by inserting in the first sentence thereof between the words "therewith" and "within" and in the second sentence thereof between the words "retailer" and "within" the words "if it is surrendered".

3. Section 1407.1020 (d) (2) is amended by inserting in the first sentence thereof between the words "coffee" and "not" and in the second sentence thereof between the words "retailer" and "within" the words "if it is surrendered".

This amendment shall become effective June 22, 1943.

(Pub. Law 671, 76th Cong., as amended by Pub. Laws 89, 507, 421, and 729, 77th Cong.; E.O. 9125; 7 F.R. 2719; E.O. 9280, 7 F.R. 10179; W.P.B. Dir. 1, Supp. Dir. 1-R; Food Dir. 3, 8 F.R. 2005)

Issued this 21st day of June 1943.

PRENTISS M. BROWN,
Administrator.

[F. R. Doc. 43-10063; Filed, June 23, 1943; 9:49 a. m.]

PART 1448—EATING AND DRINKING ESTABLISHMENTS

[Restaurant MPR 3-1, Amdt. 1]

FOOD AND DRINK SOLD FOR IMMEDIATE CONSUMPTION, JEFFERSON COUNTY, KENTUCKY

A statement of the considerations involved in the issuance of this Amendment No. 1 to Restaurant Maximum Price Regulation No. 3-1 has been issued simultaneously herewith and filed with the Division of the Federal Register.*

Restaurant Maximum Price Regulation No. 3-1 is amended in the following respects:

1. Section 3 is amended by the addition of paragraph (c) to read as follows:

SEC. 3. *Classes of food items and meals.* * * *

(c) *Legal holidays.* Your ceiling prices for food items or meals served on those days designated legal holidays by Federal law or the law of the State in which the establishment is located may be the same as your Sunday ceiling prices for such establishment.

2. Paragraph (a) of section 10 is amended to read as follows:

SEC. 10. *Posting.* (a) Beginning June 5, 1943, each menu must contain prices for all food items and meals offered, and must have clearly and plainly written on or attached to it the following statement.

All prices listed are our ceiling prices unless otherwise indicated, in which case they are below ceiling prices. By OPA regulation, our ceilings are our highest prices from April 4 to April 10, 1943. Records of these prices are available for your inspection.

If you do not use menus, you must post a price list of all food items and meals offered together with the above statement by means of a sign which can easily be read by your customers and which must be located near the cashier's desk, if any, or if none, in such location that the customer can easily read such sign at the time of purchase.

3. Paragraph (e) of section 15 is amended to read as follows:

SEC. 15. *Definitions and explanations.* * * *

(e) "Eating and drinking place" shall include any place, establishment or location, whether temporary or permanent, from which any food item or meal is sold, except those which are specifically exempted in section 16 hereof. It shall include by way of example, but not by way of limitation, such movable places where food is dispensed as field kitchens, lunch wagons, "hot dog" carts, etc. A "boarding house" is an establishment where more than two persons not related to the owner or operator receive meals and lodging for compensation.

This amendment shall become effective June 5, 1943.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 3d day of June 1943.

BIRKETT L. WILLIAMS,
Regional Administrator.

[F. R. Doc. 43-10064; Filed, June 23, 1943; 9:50 a. m.]

PART 1448—EATING AND DRINKING ESTABLISHMENTS

[Restaurant MPR 3-2,[1] Amdt. 1]

FOOD AND DRINK SOLD FOR IMMEDIATE CONSUMPTION, MONTGOMERY COUNTY, OHIO

A statement of the considerations involved in the issuance of this Amendment No. 1 to Restaurant Maximum Price Regulation No. 3-2 has been issued simultaneously herewith and filed with the Division of the Federal Register.*

Restaurant Maximum Price Regulation No. 3-2 is amended in the following respects:

1. Section 3 is amended by the addition of paragraph (c) to read as follows:

SEC. 3. *Classes of food items and meals.* * * *

(c) *Legal holidays.* Your ceiling prices for food items or meals served on those days designated legal holidays by Federal law or the law of the State in which the establishment is located may be the same as your Sunday ceiling prices for such establishment.

2. Paragraph (a) of section 10 is amended to read as follows:

SEC. 10. *Posting.* (a) Beginning June 5, 1943, each menu must contain prices for all food items and meals offered, and must have clearly and plainly written on or attached to it the following statement:

All prices listed are our ceiling prices unless otherwise indicated, in which case they are below ceiling prices. By OPA regulation, our ceilings are our highest prices from April 4 to April 10, 1943. Records of these prices are available for your inspection.

If you do not use menus, you must post a price list of all food items and meals offered together with the above statement by means of a sign which can easily be read by your customers and which must be located near the cashier's desk, if any, or if none, in such location that the customer can easily read such sign at the time of purchase.

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*Copies may be obtained from the Office of Price Administration.

[1] 8 F.R. 3400, 3843, 4486, 4519, 4977, 4892, 5318, 5480, 5486, 5818, 5846, 7198, 7267, 7386, 7601, 7767, 7825.

[1] 8 F.R. 6682.

3. Paragraph (e) of section 15 is amended to read as follows:

SEC. 15. *Definitions and explanations.* * * *

(e) "Eating and drinking place" shall include any place, establishment or location, whether temporary or permanent, from which any food item or meal is sold, except those which are specifically exempted in section 16 hereof. It shall include by way of example, but not by way of limitation, such movable places where food is dispensed as field kitchens, lunch wagons, "hot dog" carts, etc. A "boardinghouse" is an establishment where more than two persons not related to the owner or operator receive meals and lodging for compensation.

This amendment shall become effective June 5, 1943.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 3d day of June 1943.

BIRKETT L. WILLIAMS,
Regional Administrator.

[F. R. Doc. 43-10065; Filed, June 23, 1943; 9:53 a. m.]

PART 1448—EATING AND DRINKING ESTABLISHMENTS

[Restaurant MPR 3-3,[1] Amdt. 1]

FOOD AND DRINK SOLD FOR IMMEDIATE CONSUMPTION, WAYNE COUNTY, MICHIGAN

A statement of the considerations involved in the issuance of this Amendment No. 1 to Restaurant Maximum Price Regulation No. 3-3 has been issued simultaneously herewith and filed with the Division of the Federal Register.*

Restaurant Maximum Price Regulation No. 3-3 is amended in the following respects:

1. Section 3 is amended by the addition of paragraph (c) to read as follows:

SEC. 3. *Classes of food items and meals.* * * *

(c) *Legal holidays.* Your ceiling prices for food items or meals served on those days designated legal holidays by Federal law or the law of the State in which the establishment is located may be the same as your Sunday ceiling prices for such establishment.

2. Paragraph (a) of section 10 is amended to read as follows:

SEC. 10. *Posting.* (a) Beginning June 5, 1943, each menu must contain prices for all food items and meals offered, and must have clearly and plainly written on or attached to it the following statement.

All prices listed are our ceiling prices unless otherwise indicated, in which case they are below ceiling prices. By OPA regulation, our ceilings are our highest prices from April 4 to April 10, 1943. Records of these prices are available for your inspection.

If you do not use menus, you must post a price list of all food items and meals offered together with the above statement by means of a sign which can easily be read by your customers and which must be located near the cashier's desk, if any, or if none, in such location that the customer can easily read such sign at the time of purchase.

3. Paragraph (e) of section 15 is amended to read as follows:

SEC. 15. *Definitions and explanations.* * * *

(e) "Eating and drinking place" shall include any place, establishment or location, whether temporary or permanent, from which any food item or meal is sold, except those which are specifically exempted in section 16 hereof. It shall include by way of example, but not by way of limitation, such movable places where food is dispensed as field kitchens, lunch wagons, "hot dog" carts, etc. A "boarding house" is an establishment where more than two persons not related to the owner or operator receive meals and lodging for compensation.

This amendment shall become effective June 5, 1943.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 3d day of June 1943.

BIRKETT L. WILLIAMS,
Regional Administrator.

[F. R. Doc. 43-10066; Filed, June 23, 1943; 9:52 a. m.]

PART 1448—EATING AND DRINKING ESTABLISHMENTS

[Restaurant MPR 3-4,[1] Amdt. 1]

FOOD AND DRINK SOLD FOR IMMEDIATE CONSUMPTION, DESIGNATED COUNTIES IN MICHIGAN

A statement of the considerations involved in the issuance of this Amendment No. 1 to Restaurant Maximum Price Regulation No. 3-4 has been issued simultaneously herewith and filed with the Division of the Federal Register.*

Restaurant Maximum Price Regulation No. 3-4 is amended in the following respects:

1. Section 3 is amended by the addition of paragraph (c) to read as follows:

SEC. 3. *Classes of food items and meals.* * * *

(c) *Legal holidays.* Your ceiling prices for food items or meals served on those days designated legal holidays by Federal Law or the law of the State in which the establishment is located may be the same as your Sunday ceiling prices for such establishment.

2. Paragraph (a) of section 10 is amended to read as follows:

SEC. 10. *Posting.* (a) Beginning June 5, 1943, each menu must contain prices for all food items and meals offered, and must have clearly and plainly written on or attached to it the following statement:

All prices listed are our ceiling prices unless otherwise indicated, in which case they are below ceiling prices. By OPA regulation, our ceilings are our highest prices from April 4 to April 10, 1943. Records of these prices are available for your inspection.

If you do not use menus, you must post a price list of all food items and meals offered together with the above statement by means of a sign which can easily be read by your customers and which must be located near the cashier's desk, if any, or if none, in such location that the customer can easily read such sign at the time of purchase.

3. Paragraph (e) of section 15 is amended to read as follows:

SEC. 15. *Definitions and explanations.* * * *

(e) "Eating and drinking place" shall include any place, establishment or location, whether temporary or permanent, from which any food item or meal is sold, except those which are specifically exempted in section 16 hereof. It shall include by way of example, but not by way of limitation, such movable places where food is dispensed as field kitchens, lunch wagons, "hot dog" carts, etc. A "boardinghouse" is an establishment where more than two persons not related to the owner or operator receive meals and lodging for compensation.

This amendment shall become effective June 5, 1943.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 3d day of June 1943.

BIRKETT L. WILLIAMS,
Regional Administrator.

[F. R. Doc. 43-10067; Filed, June 23, 1943; 9:53 a. m.]

PART 1394—RATIONING OF FUEL AND FUEL PRODUCTS

[RO 5C, Amdt. 52]

MILEAGE RATIONING; GASOLINE REGULATIONS

Correction

In the document on page 7390 of the issue for Thursday, June 3, 1943, the reference to § 1394.7052 in the second line of paragraph (d) should be to § 1394.8052.

PART 1340—FUEL

[MPR 189,[1] Amdt. 13]

BITUMINOUS COAL SOLD FOR DIRECT USE AS BUNKER FUEL

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.*

Section 1340.313 (c) is amended to read as follows:

(c) The following additional rule shall apply to bunker fuel produced in Districts 1-4, 6-10, 13, 14, 19, 20, 23:

(1) *Tidewater bunker coal.* (i) Not more than the following respective amounts per net ton may be added to the

*Copies may be obtained from the Office of Price Administration.

[1] 8 F.R. 6681.

[1] 8 F.R. 7012.

[1] 8 F.R. 2973, 5566, 6444, 6842, 8504.

maximum prices determined in accordance with paragraph (a) of this section for bunker fuel produced in the following respective districts:

	Cents
(a) Districts 1–4, 6–8	50
(b) District 9	15
(c) District 10	10
(d) District 13	40
(e) District 14	20
(f) District 19	30
(g) District 20	25
(h) District 23	50

(2) *"Lake" bunker coal.* (i) Not more than the following respective amounts per net ton may be added to the maximum prices determined in accordance with paragraph (b) of this section for bunker fuel produced in the following respective districts:

	Cents
(a) Districts 1–4, 6–8	50
(b) District 9	15
(c) District 10	10

(3) The maximum prices provided by the above paragraphs 1 and 2 of § 1340.313 (c) shall terminate on August 25, 1943, whereupon the applicable maxima shall be those which were effective immediately prior to this Amendment No. 13, unless different provision has been made prior to such expiration date.

This amendment shall become effective June 22, 1943.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 22d day of June 1943.

PRENTISS M. BROWN,
Administrator.

[F. R. Doc. 43-10050; Filed, June 23, 1943; 9:49 a. m.]

PART 1351—FOOD AND FOOD PRODUCTS

[Rev. MPR 237[1] Amdt. 4]

FIXED MARK-UP REGULATION FOR SALES OF CERTAIN FOOD PRODUCTS AT WHOLESALE

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Revised Maximum Price Regulation No. 237 is amended in the following respect:

Article IV, containing section 29, is added to read as follows:

Article IV—Adjustment Provisions

SEC. 29. *How retailer-owned cooperative wholesalers may, under certain conditions, apply for permission to use the mark-ups designated for other wholesalers.* Any retailer-owned cooperative wholesaler may file an application for permission to use the mark-ups designated for another class of wholesaler if he can establish:

(a) That he has customarily operated in the same manner as the other class of wholesaler, and

(b) That in 1941 he had an over-all gross margin at least as high as the over-all gross margin he would realize by using the mark-ups specified in this regulation for such other class of wholesaler.

(c) Such application must set forth the following:

(1) A statement as to whether his members received dividends or other proceeds from his organization; the basis for determining the amount of such payments; the amount of such payments for the years 1941, 1942, and, if available, so far in 1943;

(2) The amount and conditions of fees, if any, paid by his members in addition to the invoice price of commodities during the years 1941, 1942, and, if available, so far in 1943;

(3) His profit and loss statement for his fiscal years 1941, 1942, and so much of 1943 as is available, and balance sheets as of the end of each such accounting period.

(4) His percentage mark-ups over invoice cost for sales during 1941 to his members for each commodity group listed in this regulation, and if sales were made to non-members, the same information with respect to such sales; and

(5) Any evidence he may be able to furnish showing the differences between his operations and functions and those of the usual retailer-owned cooperative wholesaler, including a statement of any special services performed by him, any additional compensation received for such special services, and a reasonable basis for distinction or classification, if any, between him and other retailer-owned cooperative wholesalers.

(d) Such application must be filed in duplicate by July 10, 1943, with his nearest District OPA office. He may not use these requested mark-ups until he has received specific authorization from such OPA office.

(e) Any regional office of the OPA or such offices as may be authorized by order issued by the appropriate regional office may act on all applications under the provisions of this section. Applications for adjustment are governed by Revised Procedural Regulation No. 1.

This amendment shall become effective June 22, 1943.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

NOTE: The record-keeping and reporting requirements of this amendment have been approved by the Bureau of the Budget in accordance with Federal Reports Act of 1942.

Issued this 22d day of June 1943.

PRENTISS M. BROWN,
Administrator.

[F. R. Doc. 43-10052; Filed, June 23, 1943; 9:46 a. m.]

PART 1351—FOOD AND FOOD PRODUCTS

[Rev. MPR 238,[2] Amdt. 4]

FIXED MARK-UP REGULATION FOR SALES OF CERTAIN FOOD PRODUCTS AT RETAIL

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Revised Maximum Price Regulation No. 238 is amended in the following respect:

Article IV, containing section 26, is added to read as set forth below:

Article IV—Adjustment Provisions

SEC. 26. *How stores in Class 3 and 4 may, under certain conditions, apply to use Class 1 mark-ups.* (a) Any retailer in Class 3 or 4 who meets the gross margin requirements and who does business in the manner outlined below, may apply under paragraph (b) of this section to use the mark-ups provided herein for Class 1 stores:

(1) Most of the sales in his grocery department are made by sales clerks who assist customers in selecting, collecting, and wrapping merchandise;

(2) He generally offers to all customers the services of taking orders by telephone, carrying monthly charge accounts, and providing delivery service;

(3) The general level of his prices for grocery products was, during September, 1942, at least as high as the level maintained by Class 1 stores and was generally higher than that maintained by Class 3 and 4 retailers for such products in his community; and

(4) The total gross margin in the retailer's fiscal year 1941 was 25% or more on all sales in his food departments, and also if the retailer is not an "independent" store, more than 25% of the combined sales of the food departments in all the stores in the group. A restaurant is not to be considered a food department. If the retailer was not in business in 1941, he is to use his most recent fiscal year (or most recent fiscal period if not in business a full fiscal year).

(b) The application must be filed in duplicate by July 15, 1943, with the nearest District office on a form which may be obtained from that office. The retailer may combine on one form the application of more than one store in his group. If the application is finally approved, OPA will advise when the applicant may begin using the Class 1 mark-ups, and from such time on such retailer shall post a sign in his store designating it as a "Class 1" store, and it shall be considered a Class 1 store for all orders issued under General Order No. 51.[3]

(c) Any application filed under this provision shall be deemed an application under section 25 of Revised Maximum Price Regulation No. 268,[4] section 11 of Maximum Price Regulation No. 336,[4] section 18 of Maximum Price Regulation No. 355,[5] and section 16 (c) of Maximum Price Regulation No. 390.[6]

(d) Any Regional office of the OPA, or such offices as may be authorized by order issued by the appropriate Regional

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*Copies may be obtained from the Office of Price Administration.

[1] 8 F.R. 6120, 6424, 7384, 7661.

[2] 8 F.R. 6125, 6424, 7661, 7766.

[3] 8 F.R. 6008, 6071.

[4] 8 F.R. 6129, 7116, 7592, 7661.

[4] 8 F.R. 2859, 4253, 5317, 5634, 6212, 7682.

[5] 8 F.R. 4423, 4922, 6214, 6428, 7199, 7827, 8185.

[6] 8 F.R. 6428.

office, may act on all applications for adjustment under the provisions of this section. Applications for adjustment are governed by Revised Procedural Regulation No. 1.[7]

This amendment shall become effective June 22, 1943.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

NOTE: The record-keeping and reporting requirements of this amendment have been approved by the Bureau of the Budget in accordance with Federal Reports Act of 1942.

Issued this 22d day of June 1943.

PRENTISS M. BROWN,
Administrator.

[F. R. Doc. 43-10053; Filed, June 23, 1943; 9:47 a. m.]

PART 1351—FOOD AND FOOD PRODUCTS

[Rev. MPR 268,[1] Amdt. 4]

SALES OF CERTAIN PERISHABLE FOOD COMMODITIES AT RETAIL

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Revised Maximum Price Regulation No. 268 is amended in the following respect:

Article IV, containing section 25, is added to read as set forth below:

Article IV—Adjustment Provisions

SEC. 25. *How stores in Class 3 and 4 may, under certain conditions, apply to use Class 1 mark-ups.* (a) Any retailer in Class 3 or 4 who meets the gross margin requirements and who does business in the manner outlined below, may apply under paragraph (b) of this section to use the mark-ups provided herein for Class 1 stores:

(1) Most of the sales in the grocery department are made by sales clerks who assist customers in selecting, collecting, and wrapping merchandise;

(2) He generally offers to all customers the services of taking orders by telephone, carrying monthly charge accounts, and providing delivery service;

(3) The general level of his prices for grocery products was, during September, 1942, at least as high as the level maintained by Class 1 stores and was generally higher than that maintained by Class 3 and 4 retailers for such products in his community; and

(4) The total gross margin in the retailer's fiscal year 1941 was 25% or more on all sales in his food departments, and also if the retailer is not an "independent" store, more than 25% of the combined sales of the food departments in all the stores in the group. A restaurant is not to be considered a food department. If the retailer was not in business in 1941, he is to use his most recent fiscal year (or most recent fiscal period if not in business a full fiscal year).

(b) The application must be filed in duplicate by July 15, 1943, with the nearest District Office on a form which may be obtained from that office. The retailer may combine on one form the application of more than one store in his group. If the application is finally approved, OPA will advise when the applicant may begin using the Class 1 mark-ups, and from such time on such retailer shall post a sign in his store designating it as a "Class 1" store, and it shall be considered a Class 1 store for all orders issued under General Order No. 51.[2]

(c) Any application filed under this provision shall be deemed an application under section 26 of Revised Maximum Price Regulation No. 238,[3] section 11 of Maximum Price Regulation No. 336,[4] section 18 of Maximum Price Regulation No. 355,[5] and section 16 (c) of Maximum Price Regulation No. 390.[6]

(d) Any Regional Office of the OPA, or such offices as may be authorized by order issued by the appropriate Regional Office, may act on all applications for adjustment under the provisions of this section. Applications for adjustment are governed by Revised Procedural Regulation No. 1.[7]

This amendment shall become effective June 22, 1943.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

NOTE: The record-keeping and reporting requirements of this amendment have been approved by the Bureau of the Budget in accordance with Federal Reports Act of 1942.

Issued this 22d day of June 1943.

PRENTISS M. BROWN,
Administrator.

[F. R. Doc. 43-10054; Filed, June 23, 1943; 9:47 a. m.]

Chapter XIII—Petroleum Administration for War

[PAO 12]

PART 1528—MARKETING MATERIAL CONSERVATION

The fulfillment of the requirements for the defense of the United States has created a shortage in the supply of material for the marketing of petroleum for defense, for private account and for export; and the following Order is deemed necessary in the public interest to promote the national defense and provide adequate supplies of petroleum for military and other essential uses.

Pursuant to Conservation Order M-68-c as amended March 3, 1943 (§ 1047.4), § 1047.4 (Conservation Order M-68-c) is renumbered § 1528.1 of this chapter and amended to read as follows:

§ 1528.1 *Petroleum Administrative Order No. 12*—(a) *Definitions.* (1) "Person" means any individual, partnership, association, business trust, corporation, governmental corporation or agency, or any organized group of persons, whether incorporated or not.

(2) "Marketing" means the operation of all facilities (other than petroleum terminal or terminal storage facilities or marine, rail, pipeline or truck facilities used to transport petroleum) for distributing or dispensing petroleum (excluding natural gas), including without limitation the operation of service stations, substations, bulk plants, warehouses, wholesale depots, or facilities operated by "consumer acccounts".

(3) "Petroleum" means petroleum, petroleum products, and associated hydrocarbons, including but not limited to natural gas, except that natural gas which has entered into gas transmission lines from field gathering lines shall not be so included.

(4) "Material" means any commodity, equipment, accessory, part, assembly, or product of any kind.

(5) "Structure" means any building, physical construction or portion thereof, used in marketing, but not including equipment used therein.

(6) "Equipment" means dispensing pumps, other than "drum" or "barrel" pumps as these terms are known to the trade, and storage tanks (including but not limited to skid tanks) having a capacity of more than 65 gallons used in marketing.

(7) "Maintenance or repair" means, without regard to accounting practice, any use of material in marketing for any of the following purposes:

(i) The upkeep of any structure or equipment in a sound working condition;

(ii) The restoration of any structure or equipment or part thereof to a sound working condition when such structure or equipment or part thereof has been rendered unsafe or unfit for further service by wear or tear, damage, destruction, failure of parts or similar causes; or

(iii) Any other construction operation in connection with any bulk plant (but not to any service station or retail outlet) not exceeding in material cost five hundred dollars ($500.00) for any one complete addition which has not been subdivided for the purpose of coming within this definition:

Provided, That upkeep or restoration shall not include any use of material for the improvement of any structure or equipment by the replacement of material which is still serviceable in the existing structure or equipment: *And provided further*, That maintenance or repair shall not include any construction operation in connection with a service station or retail outlet other than for upkeep or restoration purposes.

(8) "Farm" means any plot of land at least 10 acres of which are used for agricultural purposes for profit.

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*Copies may be obtained from the Office of Price Administration.

[1] 8 F.R. 6129, 7116, 7661, 7592.

[2] 8 F.R. 6008, 6071.

[3] 8 F.R. 6125, 6424, 7661, 7766.

[4] 8 F.R. 2859, 4253, 5317, 5634, 6212, 7682.

[5] 8 F.R. 4423, 4922, 6214, 6428, 7199, 7827, 8185.

[6] 8 F.R. 6428.

[7] 7 F.R. 8961; 8 F.R. 3313, 3533, 6173.

(9) "Supplier" means any person, other than an ultimate consumer, supplying petroleum directly or indirectly.

(10) "Advertising material" means any material (other than non-metallic material) used for such display or advertising purposes as are incident to marketing.

(b) *Conservation of material used in marketing.* Subject to the exceptions in paragraph (c), no person shall:

(1) Construct, reconstruct, expand, alter or remodel any structure;

(2) Install equipment or advertising material;

(3) Construct, equip or locate any tank truck or tank trailer where such tank truck or tank trailer is used or is to be used to deliver petroleum into the fuel supply tanks of passenger motor vehicles;

(4) Deliver or otherwise supply, directly or indirectly, any material which he knows, or has reason to believe, is intended for such uses.

(c) *Exceptions.* The provisions of paragraph (b) shall not apply in the following instances:

(1) To any case where material is to be used by any person for the maintenance or repair of any structure or equipment.

(2) To any case where the structure or equipment is to be used exclusively for the official requirements of the armed forces of the United States.

(3) To any case where equipment is to be installed as a replacement of equipment the repair of which cannot be effected on the premises: *Provided,* That

(i) In the case of storage tanks having a capacity of more than 65 gallons, the capacity of the tank which is to be installed does not exceed the capacity of the tank which is to be replaced;

(ii) In the case of dispensing pumps, the pump which is to be installed is of similar type and design as the pump which is to be replaced.

(4) To any case where any dispensing pump completely fabricated prior to January 14, 1942

(i) Is to be installed to replace a dispensing pump manufactured not less than five years prior to the date of such installation and which is rendered unfit for further use and is sold or otherwise delivered for scrap within 10 days after such replacement; or

(ii) Is to be installed at any location from which such dispensing pump had been previously removed for safe-keeping for a period of at least two months or is to be installed as a replacement of a pump of the same type and design which had been removed from such location for safe-keeping for a period of at least two months: *Provided,* That any person installing a dispensing pump pursuant to this paragraph (c) (4) (ii) shall keep a record showing the date and location of the removal, the type and design of the pump removed, the date of the installation and the type and design of the newly installed pump.

(5) To any case where equipment is to be installed to distribute petroleum to machinery or vehicles used directly in physical construction work on any project having a project rating higher than A-2: *Provided,* That such equipment shall be withdrawn from the location of the project upon the completion thereof and shall thereafter be subject to the provisions of this order.

(6) To any case where equipment is to be installed

(i) To contain, distribute or dispense fuel oil, including grades Nos. 1, 2, 3, 4, 5 or 6, Bunker "C", kerosene, range oil or gas oils, to stationary consuming facilities: *Provided,* That such equipment is not installed at any structure for use in carrying out marketing functions regularly performed by a service station, substation, bulk plant, warehouse, or wholesale depot; or

(ii) To contain, distribute or dispense butane, propane, propylene, butene or any combination or dilution thereof commonly known as liquefied petroleum gas.

(7) To any case where equipment completely fabricated on or before January 14, 1942 is to be installed on a farm and is used exclusively to dispense petroleum to the machinery or vehicles used directly in operations on such farm: *Provided,* That no supplier shall have any interest, legal or equitable, in such equipment and that no restrictions other than those required by law, are imposed directly or indirectly on the use of such equipment by oral or written contract, agreement, understanding or by any means or device whatsoever whereby the use of such equipment is limited to the dispensing of petroleum of any supplier or suppliers.

(8) To any case where the Petroleum Administrator for War or the Deputy Petroleum Administrator for War has determined that the construction, reconstruction, expansion or remodeling of any structure, the installation of equipment or advertising material, or the equipping or locating of any tank truck or trailer is necessary and appropriate in the public interest and contributes to the successful prosecution of the war. Application for such a determination shall be filed in triplicate on Form PAW 23.

(9) To any case where advertising material which was completely fabricated, but not necessarily assembled, on or before March 30, 1942, is to be installed.

(d) *Applications and correspondence.* All correspondence and all applications filed under subparagraph (c) (8) shall, unless otherwise directed, be addressed to the District Director of Marketing, Petroleum Administration for War at:

(1) 122 East 42nd Street, New York, New York, if the material is to be used in the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Delaware, Pennsylvania, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, or the District of Columbia.

(2) 1200 Blum Building, 624 South Michigan Avenue, Chicago, Illinois, if the material is to be used in the States of Ohio, Kentucky, Tennessee, Indiana, Michigan, Illinois, Wisconsin, Minnesota, Iowa, Missouri, Oklahoma, Kansas, Nebraska, South Dakota, or North Dakota.

(3) 245 Mellie Esperson Building, Houston, Texas, if the material is to be used in the States of Alabama, Mississippi, Louisiana, Arkansas, Texas, or New Mexico.

(4) 320 First National Bank Building, Denver, Colorado, if the material is to be used in the States of Montana, Wyoming, Colorado, Utah, or Idaho.

(5) 855 Subway Terminal Building, Los Angeles, California, if the material is to be used in the States of Arizona, California, Nevada, Oregon, or Washington, or the Territories of Alaska or Hawaii.

(e) *Violations.* Any person who wilfully violates any provision of this Order, or who, by any act or omission, falsifies records kept or information furnished in connection with this order is guilty of a crime and upon conviction may be punished by fine or imprisonment.

Any person who wilfully violates any provision of this order may be prohibited from delivering or receiving any material under priority control, or such other action may be taken as is deemed appropriate.

(f) *Area of applicability.* The provisions of this order shall be applicable to any person located in the United States, its territories or possessions.

(g) *Effective date.* This order shall be effective on and after July 1, 1943.

(E.O. 9276, 7 F.R. 10091; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 24th day of June 1943.

R. K. DAVIES,
Deputy Petroleum Administrator for War.

[F. R. Doc. 43-10082; Filed, June 23, 1943; 11:25 a. m.]

TITLE 49—TRANSPORTATION AND RAILROADS

Chapter I—Interstate Commerce Commission

[Service Order 121-C]

PART 95—CAR SERVICE

ANTHRACITE COAL

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 4th day of June, A. D. 1943.

Upon further consideration of the provisions of Service Order No. 121, of May 1, 1943, as amended, and good cause appearing therefor: *It is ordered,* That:

Section 95.12 *Anthracite coal,* as amended (8 F.R. 5821, 5822, 7403), is hereby suspended effective immediately, until further order of the Commission.

It is further ordered, That copies of this order shall be served upon all common carriers by railroad subject to the Interstate Commerce Act, upon all State Commissions, and upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Com-

mission at Washington, D. C., and by filing it with the Director, Division of the Federal Register, The National Archives.

By the Commission, Division 3.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 43-10021; Filed, June 22, 1943; 3:09 p. m.]

[Service Order 127-B]

PART 95—CAR SERVICE

MOVEMENT OF POTATOES FROM FLORIDA

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 22d day of June, A. D. 1943.

Upon further consideration of the provisions of Service Order No. 127 of May 31, 1943, as amended by Service Order No. 127-A of June 11, 1943, and good cause appearing therefor: *It is ordered,* That:

Section 95.20 *Movement of potatoes from Florida, Georgia, North Carolina, South Carolina, and Virginia under permit* (8 F.R. 7356, 8083, 8277) is hereby vacated and set aside insofar as it applies to shipments of potatoes from Nassau, Baker, Columbia, Suwannee, Gilchrist, Levy, Bradford, Alachua, Marion, Putnam, Clay, Duval, St. Johns, Flagler, Volusia, or Lake counties in the State of Florida.

It is further ordered, That this order shall become effective at 12:01 A. M., June 23, 1943, that copies of this order and direction shall be served upon all common carriers by railroad and upon all tariff publishing agents for common and contract motor carriers serving the State of Florida, and upon the Association of American Railroads, Car Service Division, as agent of all railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that a copy of this order be given to the general public by depositing a copy thereof in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register, The National Archives.

By the Commission, Division 3.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 43-10022; Filed, June 22, 1943; 3:09 p. m.]

TITLE 50—WILDLIFE

Chapter I—Fish and Wildlife Service

PART 21—PACIFIC REGION NATIONAL WILDLIFE REFUGES

LITTLE PEND OREILLE NATIONAL WILDLIFE REFUGE, WASHINGTON

Pursuant to section 84 of the act of March 4, 1909, as amended by the act of April 15, 1924, 43 Stat. 98; 18 U.S.C. 145, and section 10 of the Migratory Bird Conservation Act, of February 18, 1929 (45 Stat. 1222; 16 U.S.C. 7151), as amended, and in extension of § 12.9 of the regulations for the Administration of National Wildlife Refuges Under the Jurisdiction of the Fish and Wildlife Service, dated December 19, 1940,[1] the following is hereby ordered:

§ 21.563a *Little Pend Oreille National Wildlife Refuge, Washington; hunting of deer.* Deer may be taken in the open season prescribed therefor by the State Game Commission of Washington during the calendar year 1943 on lands of the United States within the exterior boundary of the Little Pend Oreille National Wildlife Refuge, Washington, under the following special provisions, conditions, restrictions, and requirements:

(a) *State game laws.* Any person who hunts within the refuge must comply with the applicable State laws and regulations.

(b) *Hunting license and permit.* Any person who hunts within the refuge shall be in possession of a valid State hunting license and a permit, if such license and permit are required. The license and the permit must be carried on the person of the licensee while so hunting and must be exhibited upon request of any representative of the Washington State Game Commission or of the Fish and Wildlife Service. Upon request of any such officer the licensee must also exhibit for inspection all game killed by him or in his possession.

(c) *Disorderly conduct, intoxication.* No person who is visibly intoxicated will be permitted to enter upon the refuge for the purpose of hunting hereunder, and any person who indulges in any disorderly conduct on the refuge will be removed therefrom by the officer in charge and dealt with as prescribed by law.

(d) *Penalties.* Failure of any person hunting upon the refuge to comply with any of the conditions, restrictions, or requirements of this regulation will be sufficient cause for removing such person from the refuge and for refusing him further hunting privileges on the refuge, and further will render him liable to prosecution and fine of $500 or imprisonment for six months, or both, as prescribed by law.

OSCAR L. CHAPMAN, *Assistant Secretary of the Interior.*

JUNE 12, 1943.

[F. R. Doc. 43-10033; Filed, June 23, 1943; 9:24 a. m.]

Notices

TREASURY DEPARTMENT.

Fiscal Service; Bureau of the Public Debt.

[1943 Dept. Circ. 696, Amdt. 1]

TREASURY SAVINGS NOTES, SERIES C

JUNE 22, 1943.

1. Notes of the United States issued pursuant to Department Circular No. 696, dated September 12, 1942 and heretofore designated Treasury Notes of Tax Series C shall hereafter be designated Treasury Savings Notes, Series C, and said circular is amended to conform to such new designation.

2. The sale of notes issued under the provisions of Circular No. 696 as hereby amended, will continue until further notice. The issue of such notes bearing the designation "Treasury Notes of Tax Series C" will be continued until existing stocks are exhausted, after which notes with the designation "Treasury Savings Notes, Series C" will be issued.

[SEAL] HENRY MORGENTHAU, Jr., *Secretary of the Treasury.*

[F. R. Doc. 43-10088; Filed, June 23, 1943; 11:18 a. m.]

[1943 Dept. Circ. 715]

TREASURY NOTES, TAX SERIES A-1943, A-1944, A-1945

JUNE 22, 1943.

I. TERMINATION OF SALE OF SERIES A-1945

1. The sale of Treasury Notes of Tax Series A-1945, dated September 1, 1942, pursuant to Department Circular No. 695, dated September 12, 1942, will terminate at the close of business on June 22, 1943.

II. CASH REDEMPTION OF NOTES OF TAX SERIES COVERED BY THIS CIRCULAR

1. Notwithstanding the provisions of Department Circulars No. 667, dated July 22, 1941, as amended, No. 674, dated December 15, 1941, and No. 695, dated September 12, 1942, limiting to their issue price the cash surrender value of Treasury Notes of Tax Series A-1943, dated August 1, 1941, Tax Series A-1944, dated January 1, 1942, and Tax Series A-1945, dated September 1, 1942, any such notes will be accepted, at the option of the owners, at any time at or prior to maturity for cash redemption at their tax payment value current at the time of presentation. Treasury Notes of Tax Series A-1943 mature August 1, 1943, those of Tax Series A-1944 mature January 1, 1944 and those of Tax Series A-1945 mature September 1, 1945: no interest will accrue after the maturity of the notes.

2. The cash redemption value hereunder during any month is the same as the tax payment value for that month as shown in the table on the back of each note and as shown in the tables appended to the respective issue circulars.

3. Notes presented for payment hereunder must have the requests for payment properly executed and must be surrendered, at the risk and expense of the holder, to the Federal Reserve Bank or other agency that issued the particular notes.

[SEAL] HENRY MORGENTHAU, Jr., *Secretary of the Treasury.*

[F. R. Doc. 43-10089; Filed, June 23, 1943; 11:18 a. m.]

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[1] 5 F.R. 5284.

DEPARTMENT OF THE INTERIOR.

Bituminous Coal Division.

[Docket No. 361–FD]

MIDDLE STATES FUELS, INC.

MEMORANDUM OPINION AND ORDER

In the matter of the application of Middle States Fuels, Inc., for provisional approval as a marketing agency.

In re: The modification and amendment of the order granting the applicant provisional approval as a marketing agency.

On July 28, 1941, the Bituminous Coal Division issued, in the above-entitled matter, an order to show cause why the modified provisional approval of Middle States Fuels, Inc. should not further be modified and amended to incorporate therein various proposed provisions establishing regulations covering, *inter alia*, Division approval of agency price increases without a hearing and suspension of agency prices and establishment of agency maximum prices after opportunity for full factual presentation. Pursuant to an appropriate order and after notice to interested persons, a hearing was held in this matter before Examiner Joseph D. Dermody, on September 11–17, 1941, at which the agency and the Bituminous Coal Consumers' Counsel appeared. On March 31, 1942 the Examiner filed his report, to which exceptions were filed by the agency and Consumers' Counsel. Thereafter, on June 11, 1942, the agency filed a motion to strike from the order to show cause the provisions concerning Division approval of agency price increases, suspension of agency prices, and establishment of agency maximum prices. The motion contended that the provisions were not only illegal but had been rendered unnecessary by reason of the establishment of maximum coal prices by the Office of Price Administration (OPA), effective May 18, 1942.

On October 9, 1942, oral argument on the exceptions to the Examiner's Report was held as requested by the agency.

On October 8, 1942, the day preceding the oral argument, Consumers' Counsel filed a motion requesting immediate temporary relief by amending the agency's provisional approval to incorporate therein two paragraphs, recommended by the Examiner in his Report, which provide for Division approval of agency price increases and suspension of agency prices.[1] Consumers' Counsel also sought the incorporation into the agency's provisional approval of provisions that the agency's prices might be suspended without hearing or prior notice to the agency, pending final order, and that temporary maximum agency prices might be established pending a final order. The latter two requested provisions were the same as the proposals urged by Consumers' Counsel at the hearing and in his exceptions.

The issues raised by the motion of Consumers' Counsel as well as by the motion of the marketing agency, are issues which were vigorously contested at the hearing and which remain for ultimate and final disposition. As pointed out in my Memorandum Opinion and Order in *Matter of Application of Kentucky Coal Agency, Inc.*, Docket No. 504–FD, entered this day, I do not believe it is appropriate to determine these issues piecemeal, out of context with the other problems involved in the proceedings, and on an interlocutory motion for summary and drastic relief, at least in the absence of a clear showing that such disposition is necessary to safeguard the public interest and effectuate the standards and purposes set forth in section 12 of the Act. Examination of the moving papers and the record in this proceeding does not disclose that any such showing has been made, either by Consumers' Counsel or the marketing agency.

Accordingly, the motion of Middle States Fuels, Inc., filed June 11, 1942, should be denied, and the motion of Bituminous Coal Consumers' Counsel, filed October 8, 1942, should likewise be denied.

It is so ordered.

Dated: June 21, 1943.

[SEAL] DAN H. WHEELER,
Director.

[F. R. Doc. 43–10074; Filed, June 23, 1943; 10:41 a. m.]

[Docket No. 504–FD]

KENTUCKY COAL AGENCY

MEMORANDUM OPINION AND ORDER

In the matter of the application of Kentucky Coal Agency, Incorporated, for provisional approval as a marketing agency.

In re: The modification and amendment of the order granting applicant provisional approval as a marketing agency.

In re: Petition of Kentucky Coal Agency, Incorporated, for provisional approval of modification of marketing agency contract.

On July 28, 1941, the Bituminous Coal Division issued in the above-entitled matter an order to show cause why the modified provisional approval of Kentucky Coal Agency, Incorporated, should not further be modified and amended to incorporate therein various proposed provisions establishing regulations covering, *inter alia*, Division approval of agency price increases without a hearing and suspension of agency prices and establishment of agency maximum prices after opportunity for full factual presentation.

After consolidation of this matter with the question of approval of modifications of the agency's contract with its members, pending in an application by the agency, and pursuant to an appropriate order and after notice to interested persons, a hearing was held in this matter by Examiner Charles S. Mitchell, at which petitioner and the Bituminous Coal Consumers' Counsel appeared. Thereafter the Examiner filed his report, to which exceptions were filed by Consumers' Counsel.

On March 12, 1943, Consumers' Counsel filed a motion requesting immediate temporary relief by amending the agency's provisional approval to incorporate therein the two paragraphs, recommended by the Examiner in his report, which provided for Division approval of agency price increases and suspension of agency prices.[1] Consumers' Counsel also asks inclusion in the agency's provisional approval provisions that the agency's prices might be suspended without hearing or prior notice to the agency, pending a final order, and that temporary maximum agency prices might be established by the Director pending a final order. The latter two requested provisions are the same as proposals urged by Consumers' Counsel at the hearing and in his exceptions. In addition, the motion seeks temporary suspension of the operation of the prices contained in Price List No. 28 of the agency, which became effective on February 20, 1943, pending the conclusions of a hearing to determine their reasonableness, in so far that the prices are the same as the effective revised maximum prices promulgated by the Office of Price Administration (OPA).

In support of its motion, Consumers' Counsel alleges that practically all of the prices in Price List No. 28 were the same as OPA maxima, that the agency's prices are minima for the agency and its members, and that OPA maxima are not fair and equitable when maintained as minima or actual prices for the agency and its members. It also alleged that a more direct and expeditious procedure for determining the propriety of agency prices is necessary, especially in war time; that the record in the pending phase of this proceeding affords grounds for the requested relief; that part of the relief sought was in effect for one marketing agency, Indiana Coals Corporation;[2] and that an Examiner's report in another docket had recommended a provision authorizing suspension of

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[1] The two paragraphs as recommended read as follows:

5. Within fifteen (15) days after the effective date of this order, applicant shall submit to the Director and to the Consumers' Counsel a full report showing the classifications and prices presently established by it for the coals of its members, and in effect at the time of filing, together with the reasons in support thereof. Thereafter, the applicant shall submit to the Director and to the Consumers' Counsel a list of any changes in such classifications and prices, effecting an increase in the prices previously in effect, together with the reasons in support thereof, as soon as such changes are determined upon by the Applicant. Such increases shall become effective, pursuant to the marketing agency agreements, ten days from the date such report is filed, unless the Director shall otherwise direct.

6. The Director, upon his own motion or upon the motion of the Consumers' Counsel, may at any time issue an order requiring the Applicant to show cause why any or all the classifications and prices established by the Applicant should not be modified. Thereafter the Director may issue an order suspending any or all such classifications and prices.

[2] The provisions for Division approval of agency prices, formerly in effect as to this agency, was suspended March 30, 1943. *Matter of Application of Indiana Coals Corporation*, Docket No. 1508–FD.

prices of another marketing agency without prior notice or hearing.[3]

On March 25, 1943, the agency filed a response to the motion of Consumers' Counsel in which it averred that the summary action requested by Consumers' Counsel was not authorized by the Rules of Practice and Procedure before the Division. Due notice and hearing, it is claimed, are indispensable prerequisites to any action by the Division, whether the motion be regarded as seeking to reopen for introduction of additional evidence or as alleging new matter in this continuing docket. The agency further maintains that the suspension of the agency's current price list would result merely in suspending a function of the agency and in confusing its members, and would not prevent any inflationary market prices.

Immediately prior to the establishment of Division minima, this agency's prices were, in different sizes, from 10 cents to 20 cents per ton lower than such minima, although considerably higher than the prices established by the agency when it began to function in January 1939. From October 1, 1940, to June 1941, agency prices were substantially the same as Division minima. Thereafter, a 20 cents per ton increase was put into effect. The agency price list current at the time of the hearing contained prices from 5 cents to 40 cents per ton above Division minima in different sizes and for shipment to different marketing areas. According to the allegations of the motion of Consumers' Counsel, the prices set forth in Price List No. 28 are substantially the same as OPA maxima, which are 15 cents to 80 cents (in one size group) per ton above the Division minima for most agency members for shipment to their home market area.[4] The record does not disclose the history of this agency's prices between the time of the hearing in September and October 1941 and the date of issuance of Price List No. 28, which was the very date on which OPA maximum price increases, governing the coals of agency members, became effective.[5]

The present motion assumes that under the provisions of section 12 of the Act, the Division may summarily suspend without hearing marketing agency price lists even when, as in this case, no specific reservation of this power has been made under the terms of the order granting provisional approval to the agency. The motion further assumes that such summary action is appropriate when it is shown only that the price list of the agency corresponds substantially to the applicable maximum prices established by OPA. The appropriateness of the suspension procedure has been vigorously mooted in this and other proceedings involving marketing agencies. Conflicting conclusions have been reached by the Examiners who have considered the problem. I do not believe it advisable to attempt to resolve this complex legal question in passing upon the present motion for interlocutory relief. It is not necessary to make any final resolution of the issue since I believe that no sufficient showing has been made to justify the suspension of the agency price list.

It may be, as Consumers' Counsel suggests, that there "is a substantial economic difference between prices when they are established as maximum or ceiling prices and the same prices when established as minimum or floor prices." But the difficulty of the present problem, however, is to translate what is alleged as a "substantial economic difference" into a workable basis for determining the fairness and reasonableness of the agency prices. The motion gives no help in this regard; indeed, Consumers' Counsel expressly indicates that the relief which is sought is "addressed specifically to those prices . . . which are the same as the maximum prices promulgated by the Office of Price Administration for the coals" and states that "no opinion is expressed regarding other prices contained in the Agency's Price List." Consumers' Counsel does not suggest any logical reason why prices which may be a few cents under the OPA maxima should properly be left unchanged while those identical with the OPA maxima should be suspended. Nor does the motion suggest prices which would more nearly effectuate what are contended to be the standards of Section 12.

On the basis of the general and inadequate allegations of the motion, I do not feel justified in holding that the agency's prices, which do not exceed the legal maxima established by OPA, are necessarily inimical to the public interest or prevent the public "from receiving coal at fair and reasonable prices." While it may be that the effect of concerted price-fixing action of the members of the agency has been to stabilize coal prices at or near applicable OPA maxima in the area, it does not appear that such action on the part of the agency members represented more than a response to general market conditions. There is certainly no basis in the record before me to justify an inference that the establishment of the price list in question was a substantial cause of inflationary coal prices or that the relief requested would substantially discourage sales at the present high market levels.

The problem or reconciling the interests of marketing agencies and the public calls for the highest degree of administrative statesmanship. Numerous proceedings involving marketing agencies in various parts of the country have been pending before the Division for some time. After full and extensive hearings, it has become evident that the regulatory problems involved are extremely complex, the factors to be considered, in many instances, extremely subtle, and confident conclusions difficult to obtain. Widely varying conceptions of the aims and objectives of section 12 have been suggested. The necessity for rigorous general regulations as well as supervision of particular activities of marketing agencies has been vigorously asserted and denied. Differences in the organization of various agencies have been disclosed which may or may not affect the type of regulation necessary or appropriate. After hearing oral arguments in a number of these cases and after careful preliminary study, it is clear to me that issues of this character may not properly be resolved on a preliminary motion of the type here presented. Without deciding whether it may be appropriate for the Division, pursuant to the authority granted in section 12 of the Act, to impose maximum price restrictions on the sale of coal through marketing agencies, I believe that under present marketing conditions and in view of the present maximum price restrictions promulgated by the Office of Price Administration, it cannot be assumed that the public interest is being seriously or substantially prejudiced so as to justify drastic temporary measures of the type sought in the present motion. Before such relief would be appropriate, a more substantial showing is required.

Accordingly, the motion of the Bituminous Coal Consumers' Counsel filed March 12, 1943 should be denied.

It is so ordered.

Dated: June 21, 1943.

[SEAL] DAN H. WHEELER,
Director.

[F. R. Doc. 43-10075; Filed, June 23, 1943; 10:41 a. m.]

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[3] *Matter of Application of Belleville Fuels, Inc.*, Docket No. 821-FD.

[4] The average is a fraction over 44 cents per ton higher for all size groups covered.

[5] The price list filed by the agency with the Division indicates that, as of November 1942, the agency's prices generally were the same as the applicable maximum prices established by the Office of Price Administration, save that in Size Groups 16 to 25 the agency's prices were ten to twenty cents lower than the effective maxima.

General Land Office.

[Public Land Order 141]

ARIZONA

WITHDRAWAL OF PUBLIC LANDS FOR USE IN CONNECTION WITH SAN CARLOS INDIAN IRRIGATION PROJECT

By virtue of the authority vested in the President and pursuant to Executive Order No. 9337 of April 24, 1943: *It is ordered*, As follows:

Subject to valid existing rights, the following-described public lands are hereby withdrawn from all forms of appropriation under the public-land laws, including the mining and mineral-leasing laws, and reserved under the jurisdiction of the Secretary of the Interior for use in connection with the San Carlos Indian Irrigation Project:

GILA AND SALT RIVER MERIDIAN

T. 4 S., R. 11 E.,
Sec. 13, SW¼SW¼;
Sec. 14, S½SE¼.
T. 3 S., R. 12 E.,
Sec. 35, S½N½, S½.
T. 4 S., R. 12 E.,
Sec. 4, S½N½;
Sec. 18, lot 1.

T. 4 S., R. 13 E.,
Sec. 1, SW¼SW¼;
Sec. 3, S½S½;
Sec. 4, lots 1, 2, 3, 4, S½N½, NE¼SW¼, NE¼SE¼, S½S½;
Sec. 9, lots 1, 2, N½NE¼, NW¼;
Sec. 12, lot 2, NW¼NW¼.
The areas described aggregate 1,913.57 acres.

The Commissioner of the General Land Office shall continue to administer the lands for grazing purposes under section 15 of the Taylor Grazing Act (48 Stat. 1269).

This order shall take precedence over, but shall not rescind or revoke, the withdrawal for classification and other purposes made by Executive Order No. 6910 of November 26, 1934, as amended, so far as such order affects the above-described lands.

ABE FORTAS,
Acting Secretary of the Interior.

JUNE 16, 1943.

[F. R. Doc. 43-10029; Filed June 23, 1943; 9:24 a. m.]

NEW MEXICO

[Public Land Order 142]

WITHDRAWING PUBLIC LAND FOR USE IN CONNECTION WITH PROSECUTION OF WAR

Executive Order No. 6583 of February 3, 1934, revoked in part.

By virtue of the authority vested in the President and pursuant to Executive Order No. 9337 of April 24, 1943: *It is ordered*, As follows:

Subject to valid existing rights, the following-described public land is hereby withdrawn from all forms of appropriation under the public-land laws, including the mining and mineral-leasing laws, and reserved under the jurisdiction of the Department of the Interior for use in connection with the prosecution of the war:

NEW MEXICO PRINCIPAL MERIDIAN

T. 18 S., R. 13 W., sec. 12, NE¼NE¼.
The area described contains 40 acres.

Executive Order No. 6583 of February 3, 1934, withdrawing public lands for the purpose of aiding the State of New Mexico in making exchange selections under the act of June 15, 1926, c. 590, 44 Stat. 746, is hereby revoked so far as it affects the above-described land.

ABE FORTAS,
Acting Secretary of the Interior.

JUNE 16, 1943.

[F. R. Doc. 43-10030; Filed June 23, 1943; 9:24 a. m.]

DEPARTMENT OF AGRICULTURE.

Farm Security Administration.

ARKANSAS

DESIGNATION OF COUNTIES FOR LOANS

In accordance with the rules and regulations promulgated by the Secretary of Agriculture on July 1, 1941, as extended by Supplement 2 of Secretary's Memorandum No. 867 issued as of July 1, 1942, loans made in the county mentioned herein, under Title I of the Bankhead-Jones Farm Tenant Act, may be made within the localities herein described and designated. The value of the average farm unit of thirty acres and more in each of these localities has been determined in accordance with the provisions of the said rules and regulations. A description of the localities and the determination of value for each follow:

REGION VI

ARKANSAS

Prairie County

Locality I—Consisting of the townships of Belcher, Roc Roe, and Tyler	$8,110
Locality II—Consisting of the townships of Calhoun, Upper Surrounded Hill, and Lower Surrounded Hill	3,445
Locality III—Consisting of the townships of Bullard, Center, Des Arc, Hazen, Hickory Plain, Union, Watensaw, and White River	2,485

The purchase price limit previously established for the county above-mentioned is hereby cancelled.

Approved: June 22, 1943.

[SEAL] C. B. BALDWIN,
Administrator.

[F. R. Doc. 43-10081; Filed, June 23, 1943; 11:20 a. m.]

DEPARTMENT OF LABOR.

Wage and Hour Division.

LEARNER EMPLOYMENT CERTIFICATES

ISSUANCE TO VARIOUS INDUSTRIES

Notice of issuance of special certificates for the employment of learners under the Fair Labor Standards Act of 1938.

Notice is hereby given that special certificates authorizing the employment of learners at hourly wage rates lower than the minimum wage rate applicable under section 6 of the Act are issued under section 14 thereof, Part 522 of the regulations issued thereunder (August 16, 1940, 5 F.R. 2862, and as amended June 25, 1942, 7 F.R. 4725), and the determination and order or regulation listed below and published in the FEDERAL REGISTER as here stated.

Apparel Learner Regulations, September 7, 1940 (5 F.R. 3591), as amended by Administrative Order March 13, 1943 (8 F.R. 3079).

Single Pants, Shirts and Allied Garments, Women's Apparel, Sportswear, Rainwear, Robes and Leather and Sheep-Lined Garments, Divisions of the Apparel Industry, Learner Regulations, July 20, 1942 (7 F.R. 4724), as amended by Administrative Order March 13, 1943 (8 F.R. 3079).

Artificial Flowers and Feathers Learner Regulations, October 24, 1940 (5 F.R. 4203).

Glove Findings and Determination of February 20, 1940, as amended by Administrative Order September 20, 1940 (5 F.R. 3748) and as further amended by Administrative Order, March 13, 1943 (8 F.R. 3079).

Hosiey Learner Regulations, September 4, 1940 (5 F.R. 3530), as amended by Administrative Order March 13, 1943 (8 F.R. 3079).

Independent Telephone Learner Regulations, September 27, 1940 (5 F.R. 3829).

Knitted Wear Learner Regulations, October 10, 1940 (5 F.R. 3982), as amended by Administrative Order, March 13, 1943 (8 F.R. 3079).

Millinery Learner Regulations, Custom Made and Popular Priced, August 29, 1940 (5 F.R. 3392, 3393).

Textile Learner Regulations, May 16, 1941 (6 F.R. 2446) as amended by Administrative Order March 13, 1943 (8 F.R. 3079).

Woolen Learner Regulations, October 30, 1940 (5 F.R. 4302).

Notice of amended order for the employment of learners in the Cigar Manufacturing Industry, July 20, 1941 (6 F.R. 3753).

The employment of learners under these certificates is limited to the terms and conditions therein contained and to the provisions of the applicable determination and order or regulations cited above. The applicable determination and order or regulations, and the effective and expiration dates of the certificates issued to each employer is listed below. The certificates may be cancelled in the manner provided in the regulations and as indicated in the certificates. Any person aggrieved by the issuance of any of these certificates may seek a review or reconsideration thereof.

NAME AND ADDRESS OF FIRM, INDUSTRY, PRODUCT, NUMBER OF LEARNERS AND EFFECTIVE DATES

Single pants, shirts, and allied garments, women's apparel, sportswear, rainwear, robes, and leather and sheep-lined garments divisions of the apparel industry

Hamilton Carhartt Overall Company, Irvine, Kentucky; Work clothing; 5 learners (A. T.); effective June 21, 1943, expiring February 21, 1944.

Elder Manufacturing Company, 7025 Pennsylvania Avenue, St. Louis, Missouri; Men's dress shirts; Army shirts; 10 percent (T); effective June 21, 1943, expiring June 21, 1944.

Hollywood Maxwell Company, Main Street, Arkadelphia, Arkansas; Brassieres; 10 learners (T); effective June 21, 1943, expiring June 21, 1944. (This certificate replaces the certificate effective August 10, 1942 and expiring August 10, 1943.)

Jabour Manufacturing Company, 8463½ S. Vermont, Los Angeles, California; Children's cotton garments; 6 learners (T); effective June 21, 1943, expiring June 21, 1944.

W. Kotkes & Son, Lynchburg, Virginia; Cotton and Rayon uniforms; 10 percent (T); effective June 21, 1943, expiring June 21, 1944.

Super Togs Company, Cherry Street, Slatington, Pennsylvania; Ladies' sportswear; 20 learners (A. T.); effective June 23, 1943, expiring December 23, 1943.

Willards Shirt Company, Willards, Maryland; Cotton work shirts; 10 percent (T); effective June 22, 1943, expiring September 22, 1943.

Glove Industry

Berlin Glove Company, 615 Fox Alley, Berlin, Wisconsin; Leather dress gloves; 10 percent (A. T.); effective June 21, 1943, expiring December 21, 1943.

Hosiery Industry

Charles H. Bacon Company, Loudon, Tennessee; Seamless hosiery; 5 percent (A. T.); effective June 21, 1943, expiring October 26, 1943.

Drexel Knitting Mills Company, Inc., Drexel, North Carolina; Seamless ho-

siery; ten percent (A. T.); effective June 26, 1943, expiring December 26, 1943.

Gulf Stream Products Co., Green Cove Springs, Florida; Full-fashioned rayon hosiery; 5 learners (T); effective June 21, 1943, expiring June 21, 1944.

Holeproof Hosiery Company, So Pittsburg, Tennessee; Seamless hosiery; 95 learners (E); effective June 24, 1943, expiring November 24, 1943.

Murray Hosiery Mills, Inc., Murray, Kentucky; Seamless hosiery; 50 learners (A. T.); effective June 21, 1943, expiring December 21, 1943. (This certificate replaces the one you now have bearing the effective date of April 5, 1943 and the expiration date of October 5, 1943.)

Penn-Carol Hosiery Mills, Inc., Concord, North Carolina; Full-fashioned hosiery; 10 learners (A. T.); effective June 26, 1943, expiring December 26, 1943.

Telephone Industry

Bradford County Telephone Company, 45 Owen St., Forty Fort, Pennsylvania; to employ learners as commercial switchboard operators at its Towanda, Pennsylvania exchange, at 211 Main Street, Towanda, Pennsylvania; until June 21, 1944.

Commonwealth Telephone Company, 45 Owen St., Forty Fort, Pennsylvania; to employ learners as commercial switchboard operators at its Tunkhannock, Pennsylvania exchange, located at 130 Warren Street, Tunkhannock, Pennsylvania; until June 21, 1944.

Northern Indiana Telephone Company, 119 East Main St., North Manchester, Indiana; to employ learners as commercial switchboard operators at its North Manchester exchange, located at 119 East Main Street, North Manchester, Indiana; until June 21, 1944.

Textile Industry

Hickory Dyeing and Winding Company, Hickory, North Carolina; Rayon yarn; 14 learners (E); effective June 21, 1943, expiring December 21, 1943.

Jordan Mills, Incorporated, 2702 12th Avenue, Columbus, Georgia; Cotton textiles, colored and natural yarns; 3 percent (T); effective June 23, 1943, expiring June 23, 1944.

Signed at New York, N. Y., this 22d day of June, 1943.

MERLE D. VINCENT,
Authorized Representative of the Administrator.

[F. R. Doc. 43-10032; Filed June 23, 1943; 9:24 a. m.]

[Administrative Order 201]

MEAT, POULTRY AND DAIRY PRODUCTS INDUSTRY

APPOINTMENT OF INDUSTRY COMMITTEE

Appointment of Industry Committee No. 61 for the Meat, Poultry, and Dairy Products Industry.

1. By virtue of and pursuant to the authority vested in me by the Fair Labor Standards Act of 1938, I, L. Metcalfe Walling, Administrator of the Wage and Hour Division, United States Department of Labor, do hereby appoint and convene for the Meat, Poultry, and Dairy Products Industry (as such industry is defined in paragraph 2) an industry committee composed of the following representatives:

For the public:
- Willard Thorp, Chairman, New York City, New York.
- Frederick W. Carr, Boston, Massachusetts.
- Rabbi Israel Goldstein, New York City, New York.
- Aurelius Morgner, Minneapolis, Minnesota.
- George Starnes, Charlottesville, Virginia.
- Clarence Updegraff, Iowa City, Iowa.
- Josephine Wilkins, Atlanta, Georgia.

For the employers:
- John Brandt, Minneapolis, Minnesota.
- H. C. Carbaugh, Chattanooga, Tennessee.
- Everett E. Haskell, Chicago, Illinois.
- Harry Henderson, Chicago, Illinois.
- William C. Hughes, Philadelphia, Pennsylvania.
- Fred H. Sexauer, New York City, New York.
- John S. Collier, Fort Worth, Texas.

For the employees:
- David Kaplan, Washington, D. C.
- Andrew Myrup, Washington, D. C.
- T. J. Lloyd, Salt Lake City, Utah.
- Joseph Belsky, New York City, New York.
- Meyer Stern, New York City, New York.
- Oscar Wilson, Chicago, Illinois.
- Ralph Baker, Kansas City, Missouri.

Such representatives have been chosen with due regard to the geographical regions in which such industry is carried on.

2. For the purpose of this order the term "Meat, Poultry, and Dairy Products Industry" means:

The assembling, processing, and marketing of meat animals and meat animal products, poultry and poultry products, and dairy products.

a. It includes, but without limitation, any product or by-product obtained from livestock, poultry, wild fowl and game (including meats, milk, and eggs) and any other product which is derived from any other form of animal life (such as fish, reptiles, and frogs), and which is assembled, processed or marketed for animal or human consumption.

b. *Provided, however,* That the definition shall not include:

(1) Storing performed by an independent warehouse.

(2) Any product included in the Leather Industry; Drug, Medicine, and Toilet Preparations Industry (as defined in the wage orders for these industries); or in the Canned Fruits and Vegetables and Related Products Industry; and the Chemical, Petroleum and Coal Products, and Allied Manufacturing Industries (as defined in Administrative Orders Nos. 182 and 193 respectively).

3. The definition of the Meat, Poultry, and Dairy Products Industry covers all occupations in the industry which are necessary to the production of the articles or the operations specified therein including clerical, maintenance, shipping and selling occupations: *Provided, however,* The definition does not cover such clerical, maintenance, shipping and selling occupations (a) when carried on in an establishment or department exclusively engaged in wholesaling or selling, the greater part of the sales of which establishment or department are sales or products which are not included in this industry; and (b) when carried on exclusively in connection with the sale of articles not included in this industry: *And provided, further,* That where an employee covered by this definition is employed during the same workweek at two or more different minimum rates of pay, he shall be paid the highest of such rates for such workweek, unless records concerning his employment are kept by his employer in accordance with applicable regulations of the Wage and Hour Division.

4. Any person, who, in the opinion of the committee, having a substantial interest in the proceeding and who is prepared to present material pertinent to the question under consideration, may, with the approval of the committee, appear on his own behalf or on behalf of any other person. Moreover, any interested person may submit in writing pertinent data to the committee either through the Administrator or through the chairman of the committee.

5. The industry committee herein created shall meet at 10:00 a. m. on July 13, 1943 in the Victoria Room, Hotel Victoria, 51st Street and 7th Avenue, New York, New York, and, in accordance with the provisions of the Fair Labor Standards Act of 1938 and rules and regulations promulgated thereunder, shall proceed to investigate conditions in the industry and recommend to the Administrator minimum wage rates for all employees thereof who within the meaning of said Act are "engaged in commerce or in the production of goods for commerce," excepting employees exempted by virtue of the provisions of section 13 (a) and employees coming under the provisions of section 14.

Signed at New York, New York, this 16th day of June, 1943.

L. METCALFE WALLING,
Administrator.

[F. R. Doc. 43-10031; Filed, June 23, 1943; 9:24 a. m.]

INTERSTATE COMMERCE COMMISSION.

[Special Permit 14 Under Service Order 123]

MISSOURI-KANSAS-TEXAS RAILROAD CO. AND MISSOURI PACIFIC RAILROAD CO.

REICING OF POTATOES IN TRANSIT

Pursuant to the authority vested in me by paragraph (c) of the first ordering paragraph (§ 95.307) of Service Order No. 123 of May 14, 1943, as amended, permission is granted for:

The Missouri-Kansas-Texas Railroad Company to reice once in transit after the first or initial icing ART 16052 and ART 20959, also for the Missouri Pacific Railroad Company (Guy A. Thompson, Trustee) to reice once in transit after the first or initial icing ART 17041, all containing potatoes consigned Wesco Foods Company, Chicago, Illinois.

The way bills shall show reference to this special permit.

A copy of this permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car serv-

ice and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register, The National Archives.

Issued at Washington, D. C., this 18th day of June 1943.

R. S. BOOTH,
Acting Director,
Bureau of Service.

[F. R. Doc. 43-10076; Filed, June 23, 1943; 10:57 a. m.]

[Special Permit 15 Under Service Order 123]

SOUTHERN PACIFIC CO., ET AL.

REICING OF POTATOES IN TRANSIT

Pursuant to the authority vested in me by paragraph (c) of the first ordering paragraph (§ 95.307) of Service Order No. 123 of May 14, 1943, as amended, permission is granted for:

Either the Southern Pacific Company or the St. Louis Southwestern Railway Company (Berryman Henwood, Trustee) or the Illinois Central Railroad Company, but not all, to reice once in transit after the first or initial icing ART 23867, ART 23132, and PFE 70854 from Timpson, Texas, containing potatoes consigned Produce Distributors Company, Rockford, Illinois.

The way bills shall show reference to this special permit.

A copy of this permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register, The National Archives.

Issued at Washington, D. C., this 19th day of June 1943.

R. S. BOOTH,
Acting Director,
Bureau of Service.

[F. R. Doc. 43-10077; Filed, June 23, 1943; 10:57 a. m.]

[Special Permit 16 Under Service Order 123]

MISSOURI PACIFIC RAILROAD COMPANY

REICING IN TRANSIT

Pursuant to the authority vested in me by paragraph (c) of the first ordering paragraph (§ 95.307) of Service Order No. 123 of May 14, 1943, as amended, permission is granted for:

The Missouri Pacific Railroad Company (Guy A. Thompson, Trustee) to reice once in transit after the first or initial icing ART 72086 and ART 15873 consigned Wesco Foods Company, Chicago, Illinois.

The way bills shall show reference to this special permit.

A copy of this permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register, The National Archives.

Issued at Washington, D. C., this 19th day of June 1943.

R. S. BOOTH,
Acting Director,
Bureau of Service.

[F. R. Doc. 43-10078; Filed, June 23, 1943; 10:57 a. m.]

[Special Permit 18 Under Service Order 123]

ANY ONE COMMON CARRIER BY RAILROAD

REICING POTATOES

Pursuant to the authority vested in me by paragraph (c) of the first ordering paragraph (§ 95.307) of Service Order No. 123 of May 14, 1943, as amended, permission is granted for:

Any one common carrier by railroad to reice once after the first or initial icing ART 15727, ART 21466, ART 23494, PFE 44672, PFE 52489, and PFE 13893 containing potatoes from Conway, Arkansas, now on Chicago Produce Terminal, Chicago, Illinois, consigned Piowaty Fruit Co., Chicago.

The way bills shall show reference to this special permit.

A copy of this permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director Division of the Federal Register, The National Archives.

Issued at Washington, D. C., this 22d day of June 1943.

HOMER C. KING,
Director, Bureau of Service.

[F. R. Doc. 43-10079; Filed, June 23, 1943; 10:57 a. m.]

OFFICE OF DEFENSE TRANSPORTATION.

[Supplementary Order ODT 3, Revised—31]

E. B. MCCARTY AND EDWIN N. YEARY

COORDINATED OPERATIONS BETWEEN LOUISVILLE AND OWINGSVILLE, KENTUCKY

Upon consideration of the application for authority to coordinate operations in the transportation of property by motor vehicle between Louisville and Owingsville, Kentucky, filed with the Office of Defense Transportation by E. B. McCarty, Mt. Sterling, Kentucky and Edwin N. Yeary, Winchester, Kentucky, as governed by § 501.9 of General Order ODT 3, Revised, as amended (7 F.R. 5445, 6689, 7694; 8 F.R. 4660), and

It appearing that such coordination is necessary in order to assure maximum utilization of the facilities, services and equipment, and to conserve and providently utilize vital equipment, materials and supplies, of the above-named carriers, and to provide for the prompt and continuous movement of necessary traffic, the attainment of which purposes is essential to the successful prosecution of the war, *It is hereby ordered,* That:

1. E. B. McCarty shall:

(a) Suspend the transportation of all shipments between Louisville and Lexington, Kentucky;

(b) Divert to Edwin N. Yeary at Winchester, Kentucky, all shipments destined to Louisville or Lexington; and

(c) Accept from Edwin N. Yeary at Winchester all shipments diverted to him pursuant hereto.

2. Edwin N. Yeary shall:

(a) Suspend the transportation of all shipments between Winchester and Mt. Sterling, Kentucky;

(b) Divert to E. B. McCarty at Winchester all shipments destined to Mt. Sterling or Owingsville, Kentucky; and

(c) Accept from E. B. McCarty at Winchester all shipments diverted to him pursuant hereto.

3. The carrier to whom a shipment has been diverted shall transport such shipment pursuant to the lawfully applicable rates, charges, rules and regulations of the diverting carrier.

4. Except as may be otherwise provided by agreement between the carriers, or prescribed by the Interstate Commerce Commission or by an appropriate State regulatory body, the division of revenues derived from the transportation performed pursuant hereto shall be as determined by the Office of Defense Transportation.

5. All records of the carriers pertaining to any transportation performed pursuant to this order shall be kept available for examination and inspection at all reasonable times by accredited representatives of the Office of Defense Transportation.

6. The provisions of this order shall not be so construed or applied as to require either carrier named herein to perform any service beyond its transportation capacity, or to permit either carrier to alter its legal liability to any shipper. In the event compliance with any term of this order would conflict with, or would not be authorized under, the existing interstate or intrastate operating authority of either carrier named herein, such carrier forthwith shall apply to the appropriate regulatory body or bodies for the granting of such operating authority as may be requisite to compliance with the terms of this order, and shall prosecute such application with all possible diligence. The coordination of operations directed by this order shall be subject to the carriers' possessing or obtaining the requisite operating authority.

7. Each of the carriers forthwith shall file a copy of this order with the appropriate regulatory body or bodies having jurisdiction over any operations affected by this order, and likewise shall file, and publish in accordance with law, and continue in effect until further order, tariffs or supplements to filed tariffs, setting forth any changes in rates, charges, op-

erations, rules, regulations and practices of the carrier which may be necessary to accord with the provisions of this order; and forthwith shall apply to such regulatory body or bodies for special permission for such tariffs or supplements to become effective on the shortest notice lawfully permissible, but not prior to the effective date of this order.

8. Contractual arrangements made by the carriers to effectuate the terms of this order shall not extend beyond the effective period of this order.

9. Communications concerning this order should refer to "Supplementary Order ODT 3, Revised–31", and, unless otherwise directed, should be addressed to the Division of Motor Transport, Office of Defense Transportation, Washington, D. C.

10. This order shall become effective July 7, 1943, and shall remain in full force and effect until the termination of the present war shall have been duly proclaimed, or until such earlier time as the Office of Defense Transportation by further order may designate.

Issued at Washington, D. C., this 23rd day of June 1943.

JOSEPH B. EASTMAN,
Director,
Office of Defense Transportation.

[F. R. Doc. 43–10083; Filed, June 23, 1943; 11:22 a. m.]

OFFICE OF ECONOMIC STABILIZATION.

SUSPENSION OF PAY INCREASE OF NON-OPERATING RAILWAY EMPLOYEES

JUNE 22, 1943.

Order with reference to the recommendation of the Emergency Board appointed February 20, 1943, from the National Railway Labor Panel to investigate an unadjusted dispute between certain carriers, including railroads, the Railway Express Agency, refrigerator car companies, and stockyard companies, and certain of their employees, represented by Fifteen Cooperating Railway Labor Organizations, concerning requests for increases in rates of pay.

Pursuant to Public Law No. 729, 77th Congress, 2nd Session, October 2, 1942, paragraph 5 of Executive Order No. 9328, and paragraph 5 of Executive Order No. 9299, it is hereby directed that the recommendation of the Emergency Board for a general eight-cent increase in the rates of pay of nonoperating railway employees contained in paragraph 54 of the Report of May 24, 1943, shall not become effective.

It is further directed that the Emergency Board may reconsider its recommendation and may make a revised recommendation to the President in light of the memorandum opinion which will be filed by me within the next ten days.

FRED M. VINSON,
Director of Economic Stabilization.

[F. R. Doc. 43–10068; Filed, June 23, 1943; 10:32 a. m.]

OFFICE OF PRICE ADMINISTRATION.

[Administrative Exception Order 11 Under RO 17]

TRANSFER OF SINGLE SHOES FOR USE OF MATERIAL

AUTHORIZATION BY DISTRICT OFFICES

Many manufacturers and distributors of shoes have single shoes which cannot be mated and which are not salable to consumers. This is due generally to loss of sample and other shoes, to sales of mismates and half pairs, to thefts, and other similar causes. A customary practice in the trade is to sell these half-pair shoes to shoe repair concerns, manufacturers, shoe findings distributors and dealers in scrap leather, who utilize parts of the shoe for repair work or in making other shoes or who transfer the parts to others for such a purpose.

The continuance of this practice may be authorized without defeating or impairing the effectiveness of the policy of Ration Order 17.

It is hereby ordered, That a District Office having jurisdiction over a manufacturing or distributing establishment may authorize it to transfer, without ration currency, single shoes which cannot be mated, to persons engaged in the business of repairing or making shoes, or to shoe findings distributors, or dealers in scrap leather, who may utilize the parts of the shoes for repair of or manufacture of other shoes or to transfer the parts to other persons for such purpose. The authority for each transaction shall be in writing, specifying the quantity of shoes affected, the name and address of the transferor and transferee, and the purpose for which the shoes may be used. Shoes acquired by a person under such authority may not be transferred by him as complete shoes. Both parties shall keep records of the shoes transferred and shall make such reports as the Office of Price Administration may require.

NOTE: All reporting and record-keeping requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

(Pub. Law 671, 76th Cong.; as amended by Pub. Laws 89, 507, and 421, 77th Cong.; WPB Directive 1, 7 F.R. 562, Supplementary Directive 1–T, 8 F.R. 1727; E.O. 9125, 7 F.R. 2719; General Ration Order 1, 7 F.R. 8563)

Issued and effective this 22d day of June 1943.

PAUL M. O'LEARY,
Deputy Administrator
In Charge of Rationing.

[F. R. Doc. 43–10071; Filed, June 23, 1943; 9:50 a. m.]

[Correction to Order 174 Under MPR 120]

MORRIS RUN COAL MINING COMPANY

ORDER GRANTING ADJUSTMENT

Correction to Order No. 174 under Maximum Price Regulation No. 120—Bituminous Coal Delivered from Mine or Preparation Plant; Docket No. 3120–312.

Order No. 174 under Maximum Price Regulation No. 120 is hereby corrected in the following respect:

In paragraph (a), the reference to "Size Group 1" should read "Size Groups 1 and 2".

This correction to Order No. 174 shall be effective as of March 31, 1943.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 22d day of June 1943.

PRENTISS M. BROWN,
Administrator.

[F. R. Doc. 43–10070; Filed, June 23, 1943; 9:51 a. m.]

REGIONAL OFFICES

[Gen. Order 51,[1] Amdt. 2]

AUTHORIZATION TO FIX COMMUNITY CEILING PRICES

Authorization to Regional Offices and to such offices as may be authorized by Regional Offices to fix community (dollars-and-cents) ceiling prices.

Paragraph (n) is added to read as follows:

(n) *Adjustment of prices.* Any regional office of the Office of Price Administration or any district office as has been or may be authorized by order issued by the appropriate regional office to fix dollars-and-cents ceiling prices pursuant to this general order is hereby authorized to adjust for class 3 and 4 stores in its community, that buy from wholesalers, the dollars-and-cents ceiling prices fixed by it for such classes of stores.

(Pub. Laws 421 and 729, 77th Cong., E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued and effective this 22d day of June 1943.

PRENTISS M. BROWN,
Administrator.

[F. R. Doc. 43–10069; Filed, June 23, 1943; 9:49 a. m.]

SECURITIES AND EXCHANGE COMMISSION.

[File No. 70–618]

AMERICAN POWER & LIGHT COMPANY

NOTICE OF FILING, ORDER FOR HEARING, ETC.

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pennsylvania, on the 21st day of June, A. D. 1943.

Notice is hereby given that an application has been filed with this Commission under the Public Utility Holding Company Act of 1935 by American Power & Light Company ("American"), a registered holding company, and a subsidiary of Electric Bond and Share Company, likewise a registered holding company.

[1] 8 F.R. 6008, 6071.

All interested parties are referred to said document, which is on file in the office of this Commission, for a statement of the proposals therein made, which are summarized as follows:

On February 22, 1943, this Commission entered an order, pursuant to sections 10 and 12 (c) of the Act, and Rule U-42 thereunder, permitting American to expend up to $10,000,000 in cash during the period ended June 21, 1943 in the purchase of American's Gold Debenture Bonds, 6% Series, due 2016, and Southwestern Power & Light Company 6% Gold Debenture Bonds, Series A, due 2022 (which had been assumed by American), at a price, as proposed by American, of not more than 100 per cent of principal amount, subject to certain terms and conditions.

American states that it has acquired under said order $2,162,200 face amount of American's debenture bonds and $14,100 face amount of Southwestern Power & Light Company debenture bonds, or a total of $2,176,300 of debenture bonds, for which it has paid $2,176,227.37, exclusive of accrued interest and commissions.

The company states that this acquisition consisted almost entirely of the purchase of two large blocks of debenture bonds. At the time of American's application for permission to expend $10,000,000 in the purchase of said debenture bonds, the market price of said debenture bonds was less than 100 per cent of the principal amount. Shortly after the entry of the Commission's order on February 22, 1943, the market price rose to above 100 per cent of the principal amount, and, with the exception of a short period, has remained above 100 per cent of the principal amount ever since. In its present application American asks that the order of February 22, 1943 be extended until October 21, 1943 and that it be modified so as to permit American to purchase the above-mentioned debenture bonds at prices in excess of par, if the amount over par will be less than the amount of interest which would accrue on the debenture bonds up to the estimated time when it may be possible to compel holders of the debenture bonds by Commission order or Court order, or otherwise, to sell debenture bonds to American at par or to surrender them to American in exchange for cash and/or securities in American's portfolio equivalent to the principal amount of the debenture bonds, such excess to be limited, however, to a maximum of 6 per cent of the principal amount.

It appearing to the Commission that it is appropriate in the public interest and in the interest of investors and consumers that a hearing be held with respect to said matters, and that said application shall not be granted except pursuant to further order of this Commission;

It is ordered, That a hearing on such matters under the applicable provisions of said Act and Rules of the Commission thereunder be held on July 6, 1943 at 10:00 a. m., e. w. t., at the offices of the Securities and Exchange Commission, 18th and Locust Streets, Philadelphia, Pennsylvania. On such day the hearing room clerk in Room 318 will advise as to the room where such hearing will be held. At such hearing, cause shall be shown why such application shall be granted. Notice is hereby given of said hearing to American Power & Light Company and to all interested persons, said notice to be given to said applicant by registered mail and to all other interested persons by publication in the FEDERAL REGISTER.

It is further ordered, That Willis E. Monty or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearings in such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said Act and to a trial examiner under the Commission's rules of practice.

It is further ordered, That without limiting the scope of issues presented by said application, otherwise to be considered in this proceeding, particular attention will be directed at the hearing to the following matters and questions:

1. Whether the modification of this Commission's order of February 22, 1943 proposed in the pending application is in all respects consonant with the standards of the Act and in the interest of investors; and particularly whether such proposed modification is fair and equitable to the persons affected thereby.

2. Whether this Commission's order of February 22, 1943, as proposed to be modified, should be extended for the period requested in the pending application.

3. Whether it is necessary to impose any terms or conditions for the protection of the public interest or the interest of investors or consumers.

It is further ordered, That all persons desiring to be heard or otherwise wishing to participate herein shall notify the Commission to that effect, in the manner provided by Rule XVII of the Commission's rules of practice on or before June 30, 1943.

It appearing to the Commission that the issues raised herein may not be disposed of prior to June 21, 1943, the date on which the order herein requested to be modified and extended will expire, and it appearing appropriate that the order of February 22, 1943 should be extended without modification pending the final determination of the issues herein:

It is further ordered, That the time within which purchases of its debenture bonds may be effected by American under the Commission's order of February 22, 1943 be, and hereby is, extended without modification pending the final determination of the issues herein.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 43-10091; Filed, June 23, 1943; 11:35 a. m.]

[File Nos. 70-725, 59-11, 59-17, 54-25]

NORTHERN INDIANA PUBLIC SERVICE CO., ET AL.

ORDER POSTPONING HEARING

At a regular session of the Securities and Exchange Commission held at its office in the City of Philadelphia, Pa., on the 22d day of June 1943.

In the matter of Northern Indiana Public Service Company, La Porte Heat Corporation, File No. 70-725. In the matter of The United Light and Power Company, et al., La Porte Gas and Electric Company, File Nos. 59-11, 59-17, 54-25, Application No. 16.

Declarations and applications having been filed with this Commission pursuant to sections 6 (b), 9 (a), 10 and 12 of the Public Utility Holding Company Act of 1935 by The United Light and Power Company, a registered holding company, and its subsidiary, La Porte Gas and Electric Company, and by Northern Indiana Public Service Company, a subsidiary of Clarence A. Southerland and J. Samuel Hartt, Trustees of Midland Utilities Company, a registered holding company, and La Porte Heat Corporation, a subsidiary of Northern Indiana Public Service Company, regarding the sale of the utility assets of La Porte Gas and Electric Company and the acquisition thereof by Northern Indiana Public Service Company and La Porte Heat Corporation, and the exemption from the provisions of section 6 (a) of the Act, pursuant to the provisions of section 6 (b) thereof, of the issue and sale of securities by Northern Indiana Public Service Company and La Porte Heat Corporation; and the Commission having issued, on June 7, 1943, an order for hearing on said declarations and applications, and having designated June 25, 1943 as the date for public hearing on the matters embraced by said order; and

Northern Indiana Public Service Company having requested that the hearing in this matter be postponed until the middle of July to permit certain appraisals to be made of the property, and the Commission having considered said request and deeming it appropriate that said request be granted;

It is ordered, That the hearing in this matter, previously scheduled for June 25, 1943 at 10 a. m., e. w. t., at the offices of the Securities and Exchange Commission, 18th and Locust Streets, Philadelphia, Pennsylvania, be and hereby is postponed to July 15, 1943 at the same hour and place and before the same trial examiner as heretofore designated.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 43-10092; Filed, June 23, 1943; 11:35 a. m.]

[File No. 70-737]

FEDERAL LIGHT & TRACTION COMPANY

NOTICE OF FILING AND ORDER FOR HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 21st day of June 1943.

Notice is hereby given that a declaration has been filed with this Commission pursuant to the Public Utility Holding Company Act of 1935 by Federal Light & Traction Company, a registered holding company. All interested persons are re-

ferred to said application or declaration, which is on file at the office of this Commission, for a statement of the transactions therein proposed, which are summarized as follows:

The Company seeks authority in its discretion to expend (over and above the amounts presently permitted by rules of the Commission) not more than one hundred thousand dollars ($100,000) in the purchase in the open market of shares of its outstanding $6 Cumulative Preferred Stock during the 12-month period next following the date of the Commission's order on this declaration. No fees or commissions are to be paid in connection with such purchases, except the usual broker's or dealer's commissions, and no acquisitions are to be made from any affiliated company.

As of June 3, 1943, there were outstanding 43,721 shares of the Company's $6 Cumulative Preferred Stock (without par value), and as of that date the Company's cash balance was $675,744.06 exclusive of funds in foreign accounts. The price range of the Company's Preferred Stock on the New York Stock Exchange this year to June 4th is 86 low and 101 high and last. Federal Light & Traction Company has no outstanding debt securities nor any other securities which are senior to its preferred stock.

It appearing to the Commission that it is appropriate in the public interest and in the interest of investors and consumers that a hearing be held with respect to said declaration and that said declaration should not become effective except pursuant to further order of the Commission:

It is ordered, That a hearing be held upon said matters on the 29th day of June 1943, at 10:00 a. m., at the offices of the Securities and Exchange Commission, 18th and Locust Streets, Philadelphia, Pennsylvania. On such date the hearing room clerk in Room 318 will advise as to the room where such hearing will be held. At such hearing cause shall be shown why such declaration should be permitted to become effective.

It is further ordered, That Charles S. Lobingier, or any other officer or officers of the Commission designated by it for that purpose, shall preside at said hearings. The officer so designated to preside at said hearings is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said Act and to a trial examiner under the Commission's rules of practice.

It is further ordered, That without limiting the scope of the issues presented by said declaration, particular attention will be directed at said hearing to the following matters and questions:

(1) Whether, pursuant to section 12 (c) of said Act, an order refusing to permit said declaration to become effective is necessary or appropriate to protect the financial integrity of Federal Light & Traction Company and its subsidiary companies, to safeguard the working capital of the public-utility companies in the holding-company system of Federal Light & Traction Company, or to prevent the circumvention of any provisions of said Act or of any rules, regulations or orders thereunder.

(2) Whether any terms or conditions with respect to the proposed acquisition by Federal Light & Traction Company of shares of its preferred stock are necessary or appropriate to protect the financial integrity of Federal Light & Traction Company and its subsidiary companies, to safeguard the working capital of the public-utility companies in the holding-company system of Federal Light & Traction Company, or to prevent the circumvention of any provisions of said Act or of any rules, regulations or orders thereunder.

It is further ordered, That the Secretary of the Commission shall give notice of said hearing by mailing a copy of this order to Federal Light & Traction Company, and that notice of said hearing be given to all persons by publication of this order in the FEDERAL REGISTER. Any person desiring leave to be heard or to intervene in these proceedings shall file with the Secretary of this Commission, on or before June 28, 1943, his request or application therefor, as provided by Rule XVII of the rules of practice of the Commission.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 43-10093; Filed, June 23, 1943; 11:35 a. m.]

[File No. 812-251]

J. D. GILLESPIE

ORDER DENYING APPLICATION

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 22nd day of June A. D., 1943.

An application having been filed under section 6 (c) of the Investment Company Act of 1940 by J. D. Gillespie, Trustee for Cleo George, requesting exemption from all the provisions of said Act;

A hearing having been held after appropriate notice, the Commission being fully advised and having this day filed its findings and opinion herein;

On the basis of said findings and opinion, and pursuant to section 6 (c) of said Act: *It is ordered*, That said application be, and it hereby is, denied.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 43-10090; Filed, June 23, 1943; 11:35 a. m.]

WAR FOOD ADMINISTRATION.

ASSIGNMENT OF PREFERENCE RATINGS TO FARMERS FOR SOFTWOOD LUMBER

DELEGATION OF AUTHORITY

Delegation of authority to the Deputy Administrator in charge of the Office of Materials and Facilities of the War Food Administration and to the State and County USDA War Boards to assign preference ratings to farmers for soft wood lumber.

The authority vested in me by War Production Board Directive 26 is hereby delegated to the Deputy Administrator in charge of the Office of Materials and Facilities of the War Food Administration and to the State and County USDA War Boards. In exercising such authority, the State and County USDA War Boards shall be subject to the supervision of the Deputy Administrator and to such orders, regulations, or instructions as he may from time to time issue.

(WPB Directive 26, 8 F.R. 8053)

Issued this 21st day of June 1943.

CHESTER C. DAVIS,
War Food Administrator.

[F. R. Doc. 43-10080; Filed, June 23, 1943; 11:20 a. m.]

WAR PRODUCTION BOARD.

[Preference Rating Order No. P-19-h, Serial No. 24402]

KNOXVILLE TERMINAL PROJECT, TENNESSEE

CANCELLATION OF REVOCATION ORDER

Builder: Tennessee Valley Authority, Knoxville, Tennessee.

Project: Knoxville Terminal, Knoxville, Tennessee.

The revocation of preference rating issued on March 30, 1943, Serial No. 24402 is hereby cancelled; the preference ratings previously assigned are hereby restored; and said preference ratings shall have full force and effect.

Issued June 22, 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 43-10028; Filed, June 22, 1943; 5:01 p. m.]